BRITISH WATERWAYS BOARD

# THE FUTURE OF THE WATERWAYS

## *Interim Report of the Board*

*LONDON*
HER MAJESTY'S STATIONERY OFFICE
1964

## BRITISH WATERWAYS BOARD

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*12th December, 1963*

Minister:

I undertook that you should have as early as possible a report of the Board's first views about the inland waterways. This is that report.

It is an interim report, which we hope explains itself. It is not our statutory summing up of our first year in office; that will come after the end of our first accounting year.

You told the House of Commons (on the 31st July last) that the Board hoped to give you "a preliminary report of its general views by about the end of the year". We think it urgent that those who are interested should be told both how we are already reorganising and what we think the general shape of future policy might most sensibly be—so far as we can judge at this stage.

We certainly do not ask you to approve all we say in this report. But, if it is not judged utterly unacceptable, we shall know we can get on with our next stage—the much more detailed and complicated stage of suggesting the exact future for every branch of the undertaking.

If this interim method of reporting is a little unorthodox or sketchy, we hope you will condone it. We are in a hurry; we think you probably want us to be.

John Hawton.

*Chairman*

The Rt. Hon. Ernest Marples, M.P.,
Minister of Transport,
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Southwark Street,
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# THE FUTURE OF THE WATERWAYS

## *Interim Report of the Board*

| CHAPTER | | *Page* |
|---|---|---|
| I | INTRODUCTORY | 1 |
| II | THE UNDERTAKING AS THE BOARD TOOK IT OVER | 3 |
| III | RESHAPING OF THE BOARD'S MANAGEMENT AND ORGANISATION | 9 |
| IV | THE COST OF HAVING INLAND WATERWAYS : SOME BASIC FACTS | 12 |
| V | FUTURE POLICY : THE BOARD'S FIRST GENERAL VIEWS | 16 |
| VI | COMMERCIAL TRANSPORT ON THE WATERWAYS | 19 |
| VII | RELATED COMMERCIAL ACTIVITIES | 27 |
| VIII | WATER SUPPLY AND CHANNELLING | 31 |
| IX | PLEASURE CRAFT, CRUISING, ANGLING AND OTHER USES | 36 |
| X | SOME SPECIAL CASES | 42 |
| XI | FINANCE | 47 |
| XII | SUMMARY | 50 |

APPENDIX AND MAPS

| | | |
|---|---|---|
| Appendix | Inland Waterways Vested in the Board | 52 |
| Map "A" | Commercial Transport | 25 |
| Map "B" | Water Supply | 35 |
| Map "C" | Pleasure Cruising | 40 |
| Map "D" | General Recreation and Amenity | 41 |
| Map "E" | Combined Uses: (England and Wales)<br>(Scotland) | in pocket |

# THE FUTURE OF THE WATERWAYS

## *Interim Report of the Board*

## CHAPTER I

### INTRODUCTORY

1. The Board was set up by the Transport Act, 1962. We took over from the 1st January, 1963. Our main purpose was to take over the Waterways administration from the British Transport Commission and generally to review how the waterways should best be used in the future.

2. More precisely, section 10 of the Act requires the Board to provide to such extent as they may think expedient:

> "(*a*) services and facilities on the inland waterways owned or managed by them, and
>
> (*b*) port facilities at any harbour owned or managed by them,
>
> and to have due regard to efficiency, economy and safety of operation as respects the services and facilities provided by them."

It also requires the Board

> "to review the manner in which the inland waterways owned or managed by them" (so far as not required for the duties above) "may be put to the best use; to formulate proposals with the object of putting them to the best use, and to take all steps open to them to achieve that object whether by developing or converting any inland waterway themselves or by selling or leasing to other persons."

In other sections of the Act, section 18 requires the Board so to conduct their business as to secure that revenue

> "is not less than sufficient for making provision for the meeting of charges properly chargeable to revenue, taking one year with another."

Section 23, however, enables the Minister, with Treasury approval, to make grants to the Board to meet deficits on their revenue account during their first five years; during that period the general obligation of section 18, just referred to, does not apply, but the Board must so conduct their business as to keep any deficits on revenue account at the lowest possible level.

3. This Report deals with the Board's first views in the light of this statutory remit. We offer our views—obviously not final at this stage—on what we so far feel to be wrong, and on what kind of future we think the inland waterways should probably have.

4. We must say at once that these provisional first views will need to be tested by systematic financial investigation, not only of the course which seems to us at first sight to offer the best solution but of other courses open to us. This we intend to do.

5. So we had better be clear from the outset just what this Report is, and what it is not, intended to do—and why we are attempting to offer any views, or any report, so soon. Our position is this. We found we had taken over a situation which clearly could not go on. We also found that to evolve a new, and saner, and more informed, future policy meant a pretty detailed programme for the Board—of fact-finding analysis, of tapping the experience of others better versed in parts of our new field, of scrutiny of

realistic costs and engineering background, and generally of making sure of the quality of the materials we shall need to build anything lasting and worthwhile.

6. But it would be wrong just to move silently into that detailed programme without any interim utterance; and not to surface until our enquiries were translated into a full commendation of a new future as the Board would see it. Many people, inside and outside the undertaking, have a real and present interest in it; they want to know at least what we are doing and how we are approaching our task. They are entitled to know what the Board's general attitude so far is.

7. So the Minister told the House of Commons, on the 31st July 1963, that the Board were examining all aspects of the future use of the inland waterways for which they were responsible, that they were doing this not only from the point of view of commercial transport but also in the light of all the other varied purposes which the inland waterways could or might be made to serve, and that they hoped to give the Minister a preliminary report of their general views by about the end of the year.

8. Hence this interim Report. In it, we try first to describe briefly what we took over, physically and financially—what was our "inheritance". Then we say, again briefly, what we are already doing to reform our own internal organisation and management structure, so as to make it more efficient and economical. Next, we give some basic facts (within the limits of the information so far available to us) about what is involved in the business of having waterways at all, as well as in developing them or in eliminating them. These facts must be at the starting line of any policy proposals, however provisional; just as better and more critically sifted facts will underlie any more detailed and less provisional proposals.

9. We then outline a general approach to new policy, a general "philosophy", which seems to us to be emerging from our first year's thought. This, we think, will probably prove, as we go on, to be the best approach to our future and more detailed work, which must be our "next stage". We follow with a short mention of each of the main subjects needing to be more fully reviewed in that next stage. In doing this we comment on some particular waterways; but we are not trying yet to evaluate or survey the future of the system as a whole, or the detailed future uses of any of its parts. That needs more time, and much more discussion with all involved.

10. Indeed, in our next stage, we want to welcome the advice and co-operation of all other bodies and individuals interested. As the Minister has said, the new Board "would open up the field for partnership between a nationalised undertaking and all the many voluntary and other organisations of enthusiasts, whose interest was in waterways and their future". While some of our Members are certainly not without experience in this field, we are conscious that as a Board we are newcomers—that we need to go out to seek the help of all who are knowledgeable, and not to frustrate them.

11. In this opening year, while preparing the complete reshaping of our own organisation (which we are already putting into operation) and while considering what we could most usefully say at this stage on policy proposals, we have attached first importance to economy and common sense in our day-to-day administration. Already, without waiting for new policies and even ahead of our own reorganisation, we have found much that can be done in reducing and containing expenditures and in checking the miserable downward slide of deficit levels of many recent years' working; and the internal reorganisation will help that emergency braking action still more. In this interim Report we shall touch on finance in many contexts; but it is in our first Annual Report and Accounts, after the end of the first financial year, that we shall review the detailed situation in that field. That is not our purpose now.

## CHAPTER II

## THE UNDERTAKING AS THE BOARD TOOK IT OVER

12. Here is an outline of what we actually took over at the start of 1963. We break it down into four headings:

The physical assets for which we became responsible.

The management organisation, which we found we had inherited.

The financial situation, as it had evolved during the preceding years and as it was affected by the Transport Act, 1962.

Some points from the many published policy reviews about the future of the system.

### The Physical Inheritance

13. We are responsible for about 2,000 miles of inland waterways. They are mainly in England; but they also include the Caledonian and four other canals in Scotland, and the Monmouthshire and Brecon Canal and two others in Wales. They are the waterways previously vested in the British Transport Commission. Before nationalisation nearly half of them had been owned or controlled by railway companies; the remainder (with the exception of two Government-owned canals) had been independent undertakings.

14. We have listed the waterways concerned in the Appendix. They include traffic routes as active as the Aire and Calder Navigation, the Gloucester and Sharpness Canal and the Lee Navigation. They include also those waterways which are the "narrow canals", with locks of only 7 feet width, and sometimes severely restricted headroom (many of these deriving from the late eighteenth century and designed to carry traffic appropriate to that period). They include waterways alive and busy, and they include others seeming moribund at sight. A very mixed bag indeed !

15. Associated with all these waterways are nearly one hundred reservoirs, various docks and warehouses whose existence has arisen from the waterways, and a certain amount of estate property. There are the repair yards and workshops needed in the relevant work of maintenance. Also (although we are not ourselves the carrier of more than a minority of the goods which pass on the waterways) we have some fleets of carrying craft. And we own some hire-pleasure craft ourselves, in our inheritance.

16. There are many inland waterways which did not, and do not, vest in us. Among them are the Thames and very many other rivers, large and small; the Broads; the Manchester Ship Canal (including in its ownership the Bridgewater Canal); the Rochdale Canal, Exeter Canal, and others. All this is corrective of any notion that the term "inland waterways", in any accurate sense, coincides with the waterways for which we are responsible and which are shown in the Appendix.

17. We inherited from a long family tree, with a history of declining water transport fortunes. The pattern was not uniform; but it was the pessimists who had mainly tended

to be right. The rather melancholy background had been reflected in the physical condition of many of the waterways. Some of the bigger navigations, such as the Aire and Calder, and parts of the Trent and the Severn, had continued to trade briskly and successfully, and had been improved from time to time. There were the Lee and the Grand Union developments between the wars and, more recently, the British Transport Commission's development plan for some of the major waterways. On many, however, there had simply not been money available for improvement or even for adequate maintenance of the system. Some of them have vanished, others have lingered in a twilit state. In some, their changes in development or purpose have been recognised by amendment of the law; in others they have not.

18. Of the waterways which vested in us, some five hundred miles had been formally "closed to navigation" before we took them over; some further six hundred miles were no longer in fact used by commercial traffic; of these "disused" canals, some had become unnavigable either wholly or in part.

19. We must be clear what these terms mean. To "close a canal to navigation" means to obtain relief from the statutory obligations attaching to the original powers to build the canal. The enabling Acts of the canal companies usually created certain statutory rights of user (usually subject to payment of tolls) for canal traffic or particular categories of canal traffic. Further, the Acts sometimes imposed specific obligations as to maintenance for navigational purposes, more particularly for railway-sponsored canals. Section 17 of the Regulation of Railways Act, 1873, re-stated and applied to all canals owned or managed by railway companies a general obligation as to maintenance for navigational purposes and that provision was applied by Section 61 of the Transport Act, 1962, to all the Board's waterways (whether or not they were previously railway canals).

20. These liabilities upon the owners can usually be expunged only by amending legislation, which "closes the navigation", or by applying to the Minister for a "warrant of abandonment" under the somewhat archaic procedure laid down in the Railway and Canal Traffic Act, 1888. Hence the long succession, year by year, of small Private Bills —dealing only with the fringe and never with the essence of waterways policy. "Closure" does not mean physical disappearance. On the contrary, some "closed" canals have been retained as water channels and (ironically) pleasure boating tracks.

21. But the process of statutory closure lagged behind physical fact. In some waterways, there might be an undoubted obligation to keep a channel navigable for commercial craft; but there was no money to do it with. Hence the present existence of canals which, though legally "open", are difficult or impassable for actual navigation. This was recognised by Parliament in the Transport Act, 1962. Section 64 of that Act in effect exempts the Board for a period of five years from its liability to maintain any waterway in a condition, in matters affecting navigation, better than it was during the six months prior to November, 1961.

### The Management Organisation

22. For some years before we took over, the inland waterways had been managed as a Division of the British Transport Commission, under a General Manager. The General Manager was assisted at Headquarters by Principal Officers for traffic, engineering, staff and establishments, and finance. Some officers whose main appointment lay outside Headquarters were also employed as part-time advisers to Headquarters—on estate matters, supplies and mechanical and electrical engineering. Legal and public relations services were provided by the central administration of the British Transport Commission.

23. This central management was situated in the Commission's Headquarters in London. For all management purposes the undertaking in England and Wales was then sub-divided into four local Divisions, each under a Divisional Manager responsible to the General Manager for the maintenance and operation of the waterways, the depots, the fleets, the docks and the estates of his Division, with various delegated powers (e.g., authorisation of expenditure within specified limits) which it is not apt to catalogue in detail here. The four Divisions were the North West (centred at Liverpool), the North East (centred at Leeds), the South West (centred at Gloucester), and the South East (centred at Watford). Each Divisional Manager in his Divisional Office, like the General Manager at Headquarters, was assisted by a number of functional officers each executively responsible to the Divisional Manager but having a professional or functional link with his departmental Principal Officer at Headquarters.

24. Thus the four local Divisions were, in many respects, replicas of the Headquarters management organisation; they were also, broadly, replicas of each other.

25. Below the Divisional Manager level there were no further steps for general co-ordination: some functions, particularly engineering maintenance, naturally had their own smaller sub-Divisional offices; other functions, e.g., estates and accounts, were managed entirely from the Divisional offices.

26. In Scotland there was no corresponding Divisional organisation. The Caledonian and Crinan Canals were each in the charge of a Manager and Engineer; a third was in charge of the Forth and Clyde, the Monkland and the Union Canals.

## The Financial Inheritance

27. The working deficit* of that part of the Commission's undertaking which (subject to minor adjustments arising from the demarcation of responsibilities) vested in the Board at the 1st January, 1963, amounted to £1,068,000 in the year 1962, as follows:

| | | £ | Reference in B.T.C. Annual Report and Accounts 1962 |
|---|---|---|---|
| Inland Waterways: Other than Carrying Operations (i.e., Waterways, Warehousing and Terminal Services and Estates) .. | deficit | 914,000 | Statement VI-10 |
| Inland Waterways: Carrying Operations .. | deficit | 178,000 | Statement VI-8 |
| Docks .. .. .. .. .. .. | surplus | 24,000 | Included in Statement VI-9 |
| | Net Deficit | 1,068,000 | |

28. The first of these figures—the deficit of £914,000—is a generalised total which in fact contains a variety of degrees of profitability. Thus, there was a relatively small loss on the largest commercial traffic carrying waterways; a large loss on other waterways, and a profit on warehousing and estates. There was a significant loss on the Board's own fleets. In 1962, the Board's docks emerged—after a small loss in 1961—slightly on the right side.

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* By "working deficit" is meant the excess of expenditure over income before taking account of the charges referred to in paras. 32 and 33 below.

29. The years up to and including 1962 were years of startling decline. We must address abundant emphasis to the whole trend of the financial situation which we took over. It was a trend which pointed menacingly to rapid deterioration. The deficit had grown steadily from £153,000 in 1954, at an average rate of about £114,000 per annum. For the nine years it aggregated £5,901,000:

| | | £ |
|---|---|---|
| 1954 | Deficit | 153,000 |
| 1955 | ,, | 247,000 |
| 1956 | ,, | 483,000 |
| 1957 | ,, | 542,000 |
| 1958 | ,, | 823,000 |
| 1959 | ,, | 887,000 |
| 1960 | ,, | 658,000* |
| 1961 | ,, | 1,040,000 |
| 1962 | ,, | 1,068,000 |
| 1954/62 Total deficit | | 5,901,000 |

30. Discernible features in this steadily darkening picture included these:

(i) *The decline in the use of the waterways for freight transport*

The total tonnage of goods passing over the waterways decreased by approximately 8 per cent. from 1954 to 1962, whilst the ton-miles fell by 13 per cent. During the same period the traffic conveyed by British Waterways fleets dropped by about 18 per cent.

(ii) *Inability to contain rising costs by increased charges to customers*

As was to be expected, the decline in the carriage of freight was accompanied by inelasticity in the toll revenue. Although total gross receipts of the undertaking in 1962 were approximately 22 per cent. more than in 1954, such increases in *traffic* charges as it had been found possible to impose were counteracted by the decline in traffic: the increase, in fact, was attributable to other sources of revenue, such as water sales, property rents and warehousing receipts. Over the same nine years, the average weekly rate of pay of adult male staff (excluding officers) increased by 49 per cent. and commodity prices by some 20 per cent., the overall effective increase in staff and materials costs being of the order of 34 per cent., compared with the 22 per cent. increase in receipts.

(iii) *Additional maintenance work*

The cost of maintenance work (including dredging) on the waterways in 1954 was £1·4m. This had risen to £2·4m. in 1962; an increase of approximately 70 per cent., of which, broadly, 34 per cent. was represented by increased costs and 36 per cent. by additional work. But, owing to the procedure adopted for the equalisation of special maintenance (explained in the next paragraph) the actual charge to Revenue Account was increased only by 56 per cent.

31. In the computation of the working deficits referred to above the incidence of fluctuations in certain classes of expenditure, known as "special maintenance" (mainly renewals of buildings and other structures of the more important traffic-bearing waterways

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* The 1960 deficit was reduced by approximately £190,000, recovered from the National Coal Board as a contribution to the cost of mining subsidence restoration works during the three preceding years.

and of the docks), was evened out by transfers to or from a Special Maintenance Equalisation Account fed from time to time from central British Transport Commission reserves. During the years in question the total expenditure of this nature amounted to £2,668,000. increasing steadily from £77,000 in 1954 to a peak of £472,000 in 1961, followed by a drop to £420,000 in 1962. Of this expenditure only £1,381,000 was charged to Revenue Account, the balance of £1,287,000 being met from the Equalisation Account. If each year had borne its full amount of expenditure, the aggregate working deficit for the nine years would have been £7,188,000 instead of £5,901,000, and the declared 1962 deficit would have been increased from £1,068,000 to £1,246,000.

32. Further, it was not the practice of the Commission to charge to the separate parts of their undertaking the cost of servicing the capital debt or of central administration and other expenses attributable thereto. As regards central administration, it is estimated that the costs arising directly in respect of the activities now taken over by the Board from the Commission amounted to about £60,000 per annum.

33. As to interest on the computed capital debt, it is simplest at this point to work from the present back to the past. Under section 39 of the Transport Act the Board are allotted a commencing capital debt to the Minister of Transport. The Minister has not yet prescribed the amount of the debt, although it has been provisionally estimated at £19·2m., subject to interest at 3·6 per cent per annum. Thus, the Board will be required to pay from the start approximately £0·7m. interest a year, apart from interest on any new borrowings. Such a burden clearly confronts us with a most serious problem. Here, we need say no more than that the great bulk of the assets represented by this debt were in 1962 much as they are now; so a sum of £700,000 must, for the purposes of comparison, be added to the 1962 figures.

34. Taking everything into account, therefore, we think a reasonable assessment of the actual 1962 level of deficit would be about £2m., compared with the working deficit figure of £1,068,000 already referred to. To set the situation in even truer perspective, we must point out not only that the trend had been markedly downward but also that deficits on this scale were being incurred on an average gross revenue expenditure of only about £6m. per annum.

35. The whole financial position, as we found it at the 1st January, 1963, and as we have found it since, will be the subject of more detailed examination in our first Annual Report, to be published after the end of the accounting year.

### Earlier policy studies

36. Over long years of concern about its well-being, the undertaking has enjoyed —indeed has had lavished upon it—a wealth of diagnoses and suggested cures (the latter ranging from more vigorous exercise almost to euthanasia).

37. In latter years of the nineteenth century, growing anxiety invoked the appointment of a number of Select Committees. The present century has witnessed the Royal Commission of 1906, the Departmental Committee of 1920, the Royal Commission on Transport of 1928, the Board of Survey of 1954 and the "Bowes" Committee of Inquiry of 1956. The Report of the Bowes Committee includes in its introductory chapter a valuable review of the other inquiries mentioned.

38. The Board of Survey was essentially an internal British Transport Commission inquiry. It took place at a time when there had been a slight but encouraging improvement in the traffic position—a trend which the following years reversed. It recommended the development of some 330 miles of waterways in England and Wales (as "Group I"); the retention and maintenance for transport purposes (subject to review) of a further 1,000 miles (as "Group II"); and that the remainder ("Group III"), having

insufficient commercial prospects to justify their retention for navigation, should be transferred to other authorities as most appropriate in each case.

39. The Bowes Committee was essentially a Committee "from the outside, looking in". They produced a somewhat similar—though not the same—classification. They divided the nationalised waterways of England and Wales into Class A—mainly the big barge navigations; Class B—mainly the narrow canals, which carried commercial traffic in widely varying degrees and together worked at a substantial loss with no prospect (in the Committee's view) that their receipts would suffice to meet charges; and Class C—waterways which they considered to have no further value as commercial navigations. The Bowes Committee drew attention to the non-transport uses of the waterways. They mainly recommended that capital development should be concentrated on the Class A waterways; the Class B waterways should be reinstated to prescribed standards, and so maintained, Class A and Class B waterways together constituting a national system whose availability for commercial navigation should be guaranteed for 25 years. The cost of restoring the Class B waterways, and their working losses, should be borne on public funds. For the Class C waterways a new approach was advocated, including the establishment of a formal body to assist in the promotion of schemes for their redevelopment or elimination. On the general form of organisation the Committee did not reach agreement.

40. The Bowes Committee's Report is still a document of obvious significance to the waterways. But already our feeling is that radical departures will probably need to be made from the Committee's recommendations. For example, the traffic position has deteriorated significantly since 1958 (and this affects many aspects of what we regard as our general frame of reference). Yet we are impressed that the Bowes Report contained a number of pointers towards a new and more positive policy.

41. In 1959, the Government, following the Bowes Committee Report, referred to the redevelopment of waterways "whose usefulness for commercial transport has dwindled low or disappeared, but which are still socially valuable for drainage, water supply, recreation or amenity" and urged the co-operation of all the many interests involved—"river and drainage boards, local authorities, farmers, industrialists, fishermen, canal boaters and others"—to co-operate to this end for an experimental period. To help in this process, the Government set up a Redevelopment Advisory Committee (under the chairmanship of Admiral Sir Frederick Parham, now the Vice-Chairman of the present Board) to assist in the promotion of schemes and to advise Ministers generally. The Committee considered most of the Class C waterways and produced a number of confidential reports to the Minister, on many of which subsequent action was taken. The Committee was wound up in July, 1962.

# CHAPTER III

## RESHAPING OF THE BOARD'S MANAGEMENT AND ORGANISATION

42. It will help to "clear the ground" if we outline what we are doing to reshape the management and organisation which we took over.

### The arrangement of Management

43. We have described the management organisation which we inherited. It was based in England and Wales on a system of sharing or delegating executive responsibility between a main Headquarters Management in London and four uniformly patterned geographical Management Divisions at Leeds, Liverpool, Gloucester and Watford, each producing in broad replica the structure of the national Headquarters Management and of each other.

44. We felt that an early and careful appraisal of this organisation in contemporary terms was urgent. This we have completed, and our own reorganisation has begun. Although it is an entirely "domestic" operation, aimed at better efficiency and economy, irrespective of any new policies or statutory requirements, we think it of enough interest to describe it briefly here.

45. Developments of recent years had vividly accentuated differences of circumstance and problem in each of the four geographical "Divisions", and had made the "replica" form of local Divisional organisation increasingly unsuitable. Although the geographical spread of the system may mislead, the organisation as a whole is small. It employs about 4,000 people at all levels, from the canal bank to top management. The number of management levels clearly must be kept to a minimum, for both efficiency and economy. Better communications mean that geographical areas of operational responsibility can be widened. Current needs compel a tautened and more effective single central direction of such activities as the sales organisation—and, for different reasons, of engineering and accounts.

46. We are therefore altering the general shape and structure of the organisation of the undertaking. The present system of separate geographical Divisional Managements will disappear. The staff executively responsible for the various tasks—maintenance and operation, sales promotion and so on—will be stationed as the respective needs of their jobs require. The pattern of supervision will be adapted to suit the differing needs of the various functions. For certain operational purposes there will be two Regional centres, one at Gloucester and the other at Leeds.

47. These changes, besides gearing the organisation more closely in with current conditions, will produce significant economies amounting—when the reorganisation is fully worked through—to a total of about £150,000 per annum.

48. The first thought must be "Does this involve staff surplus?" To some extent the changes must do this. But we are satisfied that this will not be a problem on any large scale. We are determined to ensure that everything practicable is done, in

collaboration with all concerned, to handle the situation—and to phase it—with sympathy and care. To this we attach great importance.

49. We are convinced that the new structure will provide the essentials of a sound long-term basis for the management of the undertaking and will thus encourage both present staff and future recruits to make British Waterways their career. This is an aspect which must be a major concern among the Board's responsibilities.

50. The changes can and will be so arranged as to utilise office accommodation already in the possession of the undertaking. There will be no need for any significant acquisition of new office space. Moreover, the reorganisation will not add to the concentration of workers in central London: rather, we hope, to the reverse. Those departments, such as the accounts department, which are to be fully centralised, will be housed at Watford, where the Board already have extensive office premises.

51. The existing Divisional Management chain of reporting will cease to operate in April, 1964, and the new functional chain of reporting will come into effect at the same time. The reorganisation will be complete not later than December, 1965.

52. When the changes are complete the position, function by function, in England and Wales will be this:

(*a*) *Engineering*

Under the Board's Chief Engineer there will be, on the maintenance side, two Regional Engineering organisations, one for the north (based on Leeds) and one for the south (based on Gloucester). In the Northern Region there will be four, and in the Southern Region three, Engineering "Areas". The more numerous present "Districts" will be abolished. New works of a size and type to be placed to contract will be managed from Headquarters. By dispersing part of the engineering strength at present with the four Divisional Managements to the new Area offices, the reorganisation will strengthen the direction at this practical (and crucial) level of organisation.

(*b*) *Commercial*

Sales promotion will in the main be centrally and nationally directed. Day-to-day management of depots, fleets and docks will be put into the hands of local managers; there will be overall direction and policy guidance, direct from Headquarters.

The track control element of what is at present called our "traffic" activity will be made the responsibility of the regional engineering organisation; the term "traffic" as a description of part of the Board's operational organisation will disappear.

(*c*) *Estates*

A Chief Estates Officer will be appointed at Headquarters and, in conformity with the arrangements for Engineering (with which Estates is closely linked), there will be estates offices at Leeds and Gloucester. In addition, there will be a special case for an estates office at Watford especially for the London area, where so much of this business arises.

(*d*) *Accounts and Supplies*

Accounts and Supplies will be centralised. Punch cards and modern data processing equipment will be introduced.

(*e*) *Other departments and sections*

The Staff Department and the Management Services section also will be centrally directed. The Legal Department and the Audit and Public Relations sections are already centralised; this will still be the case.

**Scotland**

53. In Scotland, the canals other than the Caledonian will—for engineering matters—be made into an engineering Area with an Area Engineer in charge reporting direct to the Chief Engineer, not to a Regional Engineer. The estates work will be put under the direct supervision of the Chief Estates Officer. The Caledonian Canal will continue to be run by a Manager, who will be responsible to the various Headquarters officers for the different aspects of his work and who will utilise the Headquarters engineering, accounts and other departments for those specialised skills which it would be uneconomical to provide separately.

# CHAPTER IV

## THE COST OF HAVING INLAND WATERWAYS: SOME BASIC FACTS

54. Usually, an inland waterway does not "fail safe". If it is simply left unattended, often the least that can happen may be that it becomes dry and unsightly. It may become a source of infestation or of danger in its own environment. Yet its elimination, even if wanted, may be difficult and costly. There is so much variety in the conditions which may have to be dealt with, that it is difficult to quantify what exactly is likely to be involved, in terms of cost, either in closing and eliminating a canal or in keeping or developing it for any of the varied uses it may serve—although there may be exhortation in either direction!

55. This is a field in which the greatest need is clarity; and we do not find it. We think it is essential to undertake as soon as possible detailed engineering plans for each of the waterways. It is only thus that we can evolve a reliable full-scale future policy to suit each individual problem. There is, already, within the organisation, a great deal of engineering know-how; and we pay tribute at once to the knowledge and skill of those on the canal bank who have served the waterways, sometimes for generations. But circumstances are changing and traditional rules for judging what should be done, and how it should be done, will not always be the best. We propose, therefore, to institute as soon as possible a special comprehensive engineering survey to plan the engineering needs implied by the sort of policy proposals which we want to review.

56. But while these details are still uncertain, there is a "hen and egg" problem here. Unless some reasonable working assumptions are made about the engineering situation it is very difficult even for any first or provisional policy approach to take shape. Nor need caution be too abundant. Within broad limits we already know enough about the main engineering aspects and can form at least a general basis for starting work on policy at this stage. So we will try to set out some of these main engineering considerations so far as they are already known. In doing so, we stress that conditions vary greatly from one waterway to another. The absolute cost varies a lot, so also do the relative components of that cost.

57. In general, the cost of operating and maintaining a waterway is made up of the following types of expenditure:

(*a*) operating costs, i.e., costs of lock-keeping, weir-keeping, water control, pumping, etc.

(*b*) dredging costs;

(*c*) normal maintenance expenditure, i.e., on day-to-day maintenance of banks, locks and waterway structures;

(*d*) special maintenance expenditure, i.e., on extensive work of a long-term nature of which the benefit is obtained over a period of years;

(*e*) other expenditure, i.e., on supervision and incidental expenses.

In referring to maintenance costs in this part of the Report it should be understood that the whole range of costs incurred in running the waterway, as set out at *(a)* to *(e)* above, is included.

**The cost of navigation**

58. A busy navigation maintained for heavy commercial transport use, apart from any other purposes, can incur heavy expenditure under these various heads. The resulting costs per mile vary widely, but in only one case is the figure less than £1,500 a mile a year (and then only slightly less). In a number of cases several thousand pounds a mile a year are spent; in one or two cases the figure goes as high as £7,000 or £8,000 a mile.

59. It is perhaps unlikely that routes used for major commercial transport of the kind referred to in the last paragraph would cease to be routes for commercial traffic. But assume that they did. Then the costs would alter. For instance, if such a waterway route were to be utilised for pleasure craft only, it is reasonable to assume that operating costs would go down substantially. Lock-keeping costs would be reduced; but, those operating expenses which were related to water control would, broadly, be retained. In dredging, significantly less would have to be done; but if too drastic short term economies are made here there is usually an expensive back-log of work to be caught up later. Normal maintenance would be cut, but it is easy to exaggerate the diminution of work that can be made safely and without running up long-term liabilities. The work would, however, tend downwards and probably there would be a saving of about a quarter. The head of "other expenditure" would tend downwards and special maintenance expenditure would also tend to fall. Yet so often here the problem arises of a need to incur expense now to avert or reduce expense otherwise to be incurred year by year for many years. On the whole it is perhaps reasonable to reckon that if a waterway were reduced from major transport use to pleasure boating the costs would go down by about a third.

60. It may be a bit artificial to think of a waterway with a major transport use being readapted mainly for pleasure boating. But the previous paragraph has deliberately done this, because it is for the major transport uses that the higher standards are required and the expenditure (and extent of possible saving) is correspondingly higher. In a number of known popular pleasure craft zones the problem is less clearly defined, however, because some of these (although formerly used for commercial transport) have in fact been maintained only to pleasure boat standards for some time. Thus we cannot assume that there would, in every case, be a saving of as much as one-third on current maintenance if a waterway were apparently converted from major transport to pleasure craft uses.

61. This is all in the light of present knowledge. Moreover, one of the aspects on which the survey already mentioned must particularly bear is whether there are more economical maintenance methods to be adopted (such as taking the waterway out of navigational use for certain winter months, as well as increased standardisation).

62. It can thus be assumed at this stage that waterways with some transport use, though not a fully commercial major transport use, would if they were specifically limited to pleasure craft show some downward trend in cost; but we cannot say with confidence that this would be a big trend. As to absolute levels of cost for canals of this type, there are wide variations; some waterways are as low as about £700 a mile, but a much more common figure is about £1,000 to £1,100 a mile, a year. The figures range up to £1,400 or so a mile a year.

**The cost of water supply**

63. A next step is to take the waterways described in the immediately preceding paragraph, and then to consider what would happen if they were used only as channels

for the conveyance of water (a subject we deal with later). In this event operating costs, dredging and normal and special maintenance could clearly be further reduced. The amount of reduction would vary greatly from case to case—and vary (particularly as far as dredging is concerned) according to whether short-term economy or long-term viability was the aim. In most cases the locks are already operated by those in charge of the boats, so that the margin for further savings on lock-keeping costs is small. Water control would (obviously) have to be maintained. Dredging could probably be reduced by about 20 per cent. and maintenance by about 15 per cent. Thus there might well be a general annual reduction in the cost per mile of about 15 per cent. to 20 per cent. below present levels. Of course, if some capital expenditure were incurred (e.g., locks converted into weirs) there could be further saving in the annual outgoing. This might be of the order of 5 per cent. to 10 per cent., with the charges on capital expenditure to be counted against it.

64. The broad formula in the preceding paragraph (i.e., present costs minus 15 per cent. to 20 per cent.) gives figures above those of canals which are at present operated as water channels. Some (though by no means all) of these have costs as little as £300 or £400 a mile a year. But, for the long term, we think it would be unwise to rely on figures as low as this; partly because some of the "water channel" canals certainly do have annual costs considerably higher, partly because it is to be feared that some of the very low costs are "below the bottom"—looking at what is needed to keep the canal viable for a number of years to come.

**The cost of existence**

65. We have also examined what might be called the mere "cost of existence"; that is the cost of keeping a waterway in being though the draught is so shallow that it is not useful even as a water channel. Even if this proved practicable, it might be difficult to think that it would widely commend itself; for instance, any possibility of income would probably disappear. However, assuming the minimum operational, dredging and maintenance costs of all kinds (those needed merely to keep the waterway in safe condition), broadly there might be a saving of one-quarter to one-third on present levels of cost. The key fact which emerges is how small this reduction would be likely to be.

**The cost of elimination**

66. Therefore we certainly have to consider the costs of the remaining alternative, that of physical elimination. We find this a subject on which there is much more argument than experience. And the doctors disagree. Some argue that elimination is always so expensive that it cannot be contemplated, for that reason alone. We do not feel we could endorse that proposition as a simple overriding truth. But such experience as there is does seem to demonstrate that costs of elimination are usually likely to be considerable, though not of course recurring. The position would vary widely from one canal to another; but if we take a hypothetical ten-mile length of rural canal, the following would —on our present advice—represent typical descriptions and quantities of work to be done:

(*a*) Dewater the canal and break open approximately 20 culverts to drain the canal bed.

(*b*) Pipe approximately 20 incoming discharges to a nearby ditch or watercourse.

(*c*) Partially infill the canal bed by excavating and grading the towpath and offside bank and by transporting and spreading surplus material from embankments.

(*d*) Partially clear approximately 400 yards of embankment across low ground to provide general filling material and restore land to a condition suitable for re-use.

(*e*) Restore an effective towpath (or boundary) hedge where necessary by infilling gaps over a total of approximately half a mile, and give general attention to hedges over approximately two miles.

(*f*) Extend approximately 40 field hedges across the site of the canal to meet the towpath hedge to complete the enclosure of the adjoining land.

(*g*) Fence approximately one mile to define existing rights of way.

(*h*) Provide four alternative water supplies to replace those formerly taken from the canal.

(*i*) Demolish ten accommodation bridges and pipe and infill the canal at the sites to restore the access between lands on either side of the canal.

(*j*) Negotiate the transfer of five canal bridges carrying public roads to the appropriate highway authority for future maintenance.

(*k*) Demolish ten lock chambers, infill and make safe.

(*l*) Demolish or negotiate the transfer of one aqueduct.

(*m*) Extinguish fishing rights.

67. We estimate that this would cost roughly about £4,500 to £5,000 a mile. Thereafter maintenance costs would be saved; on the other hand, there would be no future income. (The position in particular areas where a valuable site might be obtained or where a hazard to safety might be removed, would involve different considerations).

68. To summarise, the broad position—on our present advice and information and pending more detailed survey—is as follows:

(i) The inclusive maintenance and running costs of a waterway for major transport use are several thousand pounds a mile a year.

(ii) In the case of the sort of canals used mainly by pleasure craft the costs are much less, say £700 to £1,400 a mile a year. These are broadly the costs required to keep the canals to pleasure-boating standards, but there is a need to examine imaginatively the possibilities of savings by such new approaches to maintenance as will not lead to long-term deterioration.

(iii) If these canals were converted mainly to water channel use there would be a further saving; but if they are to be kept fully sound even as water channels on a long-term basis, that saving would be smaller than might be generally supposed, say something like a saving of 15 per cent. to 20 per cent.

(iv) Similarly, if it was ever found practicable to reduce such canals to "mere existence" standards, there would be an additional saving, but again it would probably be relatively small (perhaps about another 10 per cent.).

(v) Against this the true cost of elimination is relatively little known; at this stage we think it must be expected to be of the order of £5,000 per mile (with a saving in maintenance but no offsetting income).

69. Against this kind of background of fact, we now try to outline some first proposals about future policy. We do this with all the appropriate reservations at this early stage of our work. But we want to say at once that we have considered it axiomatic that the one alternative which is not attractive to us, or we hope to anyone, is that of some unplanned pattern of inadequate maintenance directed to no clear policy objective. We hope and assume that the present necessary policy of the "moratorium" in waterways policy will as soon as possible be succeeded by a planned adaptation of the future maintenance pattern to some more rationally foreseen, and publicly desirable, uses.

# CHAPTER V

## FUTURE POLICY: THE BOARD'S FIRST GENERAL VIEWS

70. So much for the background. We come now to our real dilemma. On the one hand, we naturally are not deluded that within our first year we can solve the whole problem. We need a fuller review, a detailed sorting of facts, more expert advice and consultation with others, before we can finalise any recommendations for a whole future policy. On the other hand, we must not be too hesitant. We are impressed with the need for moving quickly away from the depressing aspects of the past and into a constructive future. While we cannot make detailed proposals for all the waterways at this stage—saying clearly what should happen to each of them, with the economic future of each neatly annotated—we feel we can say what kind of general approach to policy already seems to us to be best.

71. We think, in short, that we see at least the general shape of the picture. We admit all proper reservations. We may have to re-arrange that shape, in detail and even in scope. We have to embark, from now on, on a second stage of much more detailed enquiry and reinforcement of fact than present knowledge has afforded. But, in entering that next stage, we should be profoundly encouraged if we knew that our general approach, our general first proposals, which we set out in this first interim Report, were at least not wholly unacceptable.

72. For example, we think an early choice must be made between several main alternative methods of approaching future policy. Some of these obvious alternatives are:

(i) a policy of steady and deliberate run-down and increasing closure; on the basis that water transport in this country is virtually an historical anachronism and that, if this is so, the cost of maintaining any considerable water "track" is not justified;

(ii) a policy of dismemberment; e.g., of either separating off "problem" waterways piecemeal and negotiating with other bodies to take them over; or, as a variant of this, separating off those waterways which had a real chance of commercial viability from those whose future depended more obviously on a "social amenity" justification—and then entrusting the latter to the care of some other organisation or organisations, whether already existing or created for the purpose;

(iii) a positive policy of cohesion and development of the waterways as an organised entity, in the light of all current social and economic conditions; running them under a unified and economical administration, maintained for all possible transport and related uses, and also for any and every useful public purpose appropriate to them—and trying always to make them pay their way as a whole, and to the maximum possible extent, by every feasible method of cost recovery, charges and voluntary contributions.

73. It may be that, at this stage, we ought not as a Board to say that any one of these alternatives (and there are others too) is the only possible solution. None the less, and even at this stage, we are strongly minded that alternative (iii) is likely to be found the most workable and defensible base for future policy. We are charged, of course, mainly to make the waterways "pay their way". We think we can make them "pay" much better in future than in the past. To help in this, we regard alternative (iii) as likely to be found the best and most realistic approach to economic administration. Of the other alternatives, (i) seems to us to have been already shown by practice to be wasteful, frustrating and inefficient; while (ii) would be likely to lead to a long period of continued uncertainty about individual waterways—a climate in which experience suggests their condition and prospects would deteriorate—and to entrench a policy which, even if successfully established, might well prove nationally more expensive than administration through a single and unified body.

74. The attitude we see emerging, therefore, is one of a general policy of "multi-user". It will mean, if our fuller work and developing events are found to justify it, that every useful, business, economic, or social purpose to which the waterways can be put should be as fully developed as possible, and on as many of the waterways as could justify all or any of the uses sufficiently. We think it can best be achieved by treating the waterways as a single undertaking; capable of fulfilling a variety of combined national purposes, ranging from strictly commercial transport to more general social amenity; so organised—and so fortified by contributions in one form or another—as to eliminate if possible eventually (and meanwhile to minimise) financial loss; and thus to restore or maintain vitality in something which is anyway already an existing or potential national asset. By developing a single organisation in this way, working in collaboration with other organisations with a common interest, we should also be able to attract the right kind of people at all levels and give everyone engaged a sense of interest and future purpose.

75. The case for a "multi-user" view of this kind is, we think, becoming more and more self-evident—so long as ways can be devised of averting or minimising any charge on the taxpayer. We have taken over an undertaking which cannot as a whole be any longer regarded solely as a national transport system. As such, some of it is manifestly out of date. On the other hand, the waterways cannot be neatly and separately arranged as those usable, and those not usable, for transport; nor in fact can they be each separately labelled as particular waterways usable for single particular purposes. If the rest of this Report is read in conjunction with the charts illustrating it, it will be obvious that the several uses of the waterways overlap most untidily—often on the same "track"—and that the rational way of managing them is probably to manage them as one single, though varied, whole.

76. If this is right it means that we are dealing with a nationalised undertaking which is unusual in kind; in that it must combine and blend activities normally reducible to a commercial balance sheet with activities which belong rather more to the field of public service and amenity and may involve other methods of achieving financial sufficiency.

77. Indeed, as the Minister himself said earlier in 1963:

> "The Board springs from a Transport Act. But transport, if it means commercial freight carrying transport by water, cannot ever be the whole answer. There are lots of other potentials in the waterways—natural amenities, water conservation and commercial water supply, land drainage"—and he instanced, as appropriate to the particular occasion when he was speaking, boating and pleasure craft.

78. We think that the rest of this Report will make the need for some such general approach clearer, although we cannot yet offer more than a provisional and interim view.

79. It seems to us that some of our future activities are almost bound to involve general legislation in due course, probably on inland waterways as a subject in themselves,

legislation which could serve to write in a clear charter for the future and which, above all, would take the place of some of the present piecemeal habits of dealing with local problems year by year in an endless succession of private Parliamentary Bills. We think that this is a possibility which has to some extent been envisaged by the Minister already.

80. Previous analyses have tended to divide the waterways into those which make ends meet as transport undertakings; those which have a possible though doubtful viability as transport enterprises; and those which, being in neither of these categories, have to be considered outside the transport context, for redevelopment in one form or another. This, very broadly, was the basis of the Board of Survey's Groups I, II and III. With reservations, it was also reflected in the Bowes Committee concept of the prescribed navigable system and in their classification of Classes A, B and C. This system of classification, with its implication of good, middling and poor in a transport context, is today inadequate and in some degree misleading. We propose to abandon this classification in future; we intend instead to examine individual waterways according to their respective and various potential uses. These uses may fall under any—or under all or none—of the headings which we shall describe, and they are illustrated, by example, in the various charts which accompany this Report. Provisional ideas on policy may fall to be reviewed under each of these headings in turn; but most of the points, as we have emphasised, will require not only more detailed study by the Board but a good deal of consultation with other interested parties.

# CHAPTER VI

## COMMERCIAL TRANSPORT ON THE WATERWAYS

81. This chapter considers waterways in their transport context. It is concerned only with those parts of the waterways which have a commercial transport significance. This involves considering:

(i) which are the waterways with a major transport use;

(ii) which other waterways have some (though not major) transport use;

(iii) what might be the broad basis of the Board's charging for the use of waterways for transport.

82. In deciding about the transport use of waterways it is no good pulling the wool of sentiment over our eyes. It may be that, in the more distant future, there will be technical advances which, coupled with growing congestion in other transport media, will lead to some resurgence of water transport inland. But at present it faces difficulties. It is slow. If it has to be combined with much overland transport, handling costs mount up. This has been the position for some time. Increased competition from other transport (particularly from railways, devoting special attention to bulk traffics in which the waterways also specialise) has made the position worse. And there is the relatively new factor of increased pipe-line competition. So we have tried to avoid over-optimism, in considering where the transport potential lies (not so much in the compilation of lists, but in setting definitions which do not over-excite expectation).

83. But difficulties and dangers need not monopolise us. There are at least three important general points which we think should be kept in mind. First, transport monopolies do not habitually tend to the advantage, either of the country or of a customer industry which allows the monopolies to emerge. A reasonable transport diversity is, we think, a useful support to a healthy economy. Second, many waterways could, without major expansion, cater for more traffic than they do at the moment; the Lee, going through the industrial East End and the City to the London docks, is an obvious case in point. Third, while it is not our immediate purpose to put forward a new look for the system in the sense of considering major new expansions, such possibilities will not be ruled out. The Board have, in fact, not yet reached any conclusions on proposals for major expansion of the waterways, or the building of new ones. It may be, however, that expansion in selected cases will be found to be justified. It might well take the form of some major improvements on selected existing waterways.

### WATERWAYS WITH MAJOR TRANSPORT USE

84. These, in the Board's conception, are the waterways which form an integral part of the national transport system. We emphasise that these are not specially designated as being waterways which individually show profit on commercial transport, or necessarily "break even". They are designated only for the general reason just given.

Some (such as the Aire and Calder) are more important from this point of view than others (e.g., the Fossdyke or even the Caledonian); but all come within this broad definition. The list is as follows and the navigations are shown as unbroken lines in Map A (page 25):

- Aire and Calder Navigation
- Sheffield and South Yorkshire Navigation
- Trent Navigation (part)
- Calder and Hebble Navigation (part)
- Fossdyke Navigation
- Weaver Navigation
- Gloucester and Sharpness Canal
- River Severn
- Lee Navigation (below Enfield)
- Grand Union Canal (below Uxbridge)
- Caledonian Canal
- Crinan Canal

85. While they comprise about 400 miles of the 2,000-mile system—i.e., about 20 per cent.—they carry approximately 90 per cent. of the total traffic. They are all well known and it is not our intention here to give a case-by-case appraisal of the financial position and prospects of each of them. Some brief details follow, however:

**Aire and Calder Navigation**

This important waterway, with a capacity for craft of up to 250 tons, links the Humber Ports to the West Riding industrial area. From its junction with the Ouse at Goole it extends to Leeds with a branch from Castleford to Wakefield. There are two other branches, the Selby Canal and the New Junction Canal, the former providing a link with the River Ouse at Selby and the latter a connection with the Sheffield and South Yorkshire Navigation at Bramwith. The total length is 63 miles.

The principal traffic is coal; about three million tons are conveyed each year, partly by the Board's compartment boat fleet; major power stations alongside the navigation are served from waterside collieries and there is an extensive shipment through Goole. There has over the last few years been a decline in the coal shipment traffic which we must view with concern.

There is one special point to emphasise here. We consider it very important that the Board's interests at Goole Docks should be safeguarded. These docks—which are dependent on the navigation for water supply to maintain dock levels—formed part of the former Aire and Calder Navigation undertaking. On nationalisation they vested, of course, in the British Transport Commission and were managed by the Docks and Inland Waterways Executive. In 1955 they were placed under the Commission's Docks Division and they have now passed to the British Transport Docks Board under the Act of 1962.

The continued existence of the Board's coal compartment boat fleet is bound up with, and entirely dependent on, the special tippler coal hoists owned and operated by the Docks Board; these are old and some thought must be given to the provision of modern equipment. We are subject to the charges imposed by the Docks Board for the use of the hoists.

The future of Goole Docks (and the related Ouse Lower Improvement) will, of course, have to be discussed with the Docks Board and, as appropriate, the National Ports Council. It is enough to record now that Goole, however much it may be one port amongst many from the point of view of national policy, is of crucial importance to the Aire and Calder Navigation.

**Sheffield and South Yorkshire Navigation**

This navigation extends some 43 miles from Keadby on the River Trent to Sheffield. At Bramwith there is a connection via the New Junction Canal to Goole. In the main the canal serves the steel industry of the Sheffield and Rotherham area; a large traffic of coal and pitch is also dealt with at Doncaster by the Board's compartment boat fleet.

The length of the navigation between Rotherham and Sheffield is costly to maintain, beset by many locks and in a much less prosperous state than the rest.

**Trent Navigation**

This navigation extends some 68 miles from Gainsborough to Wilden Ferry near Shardlow, Derby, and provides access via the Humber to the Humber Ports. The section of the river from Nottingham to Shardlow (13 miles) is of little commercial traffic consequence.

The main traffics are petroleum to the distribution centres at Torksey and Colwick and general merchandise to the Board's depots at Gainsborough, Newark and Nottingham, whence Leicester, Birmingham and the East Midlands area are served by road. Gravel dredged from the river bed provides a substantial return load traffic to Hull.

**Calder and Hebble Navigation**

The main route of this navigation—which operates on a much smaller scale than the three just named—is from Wakefield to the junction with the Rochdale Canal at Sowerby Bridge, a distance of some 21 miles. The main traffic is coal on the seven-mile section from Wakefield to Thornhill Power Station. There is also coal traffic in the reverse direction over this section from Hartley Bank Colliery.

**Fossdyke Navigation**

This ancient waterway (which has operations on broadly the same scale as the Calder and Hebble) extends for some 11 miles from its junction with the River Trent at Torksey to the junction with the River Witham at Lincoln.

**Weaver Navigation**

This navigation extends from the Board's Weston Point Docks (where it connects with the Manchester Ship Canal and the River Mersey) to Winsford Bridge, a distance of 20 miles. It can accommodate ships of over 500 tons capacity. The major portion of its traffic is for the chemical industry in the area of Northwich (some 12 miles from Weston Point). It also serves the Board's depot at Anderton.

**Gloucester and Sharpness Canal**

This canal extends 16 miles from Sharpness to Gloucester, with a lock at either end for passage into the River Severn. A substantial tonnage of petroleum and general merchandise is carried by both lighters and sea-going vessels of up to about 750 tons capacity. Entered through the Board's docks at Sharpness, it serves the Board's Gloucester Docks and is the navigation link between the Bristol Channel and the River Severn.

**River Severn**

The river is navigable for 42 miles from Gloucester to Stourport. Vessels with loads of up to 450 tons can navigate to Worcester. The main traffics are general merchandise to the Board's Worcester Depot and petroleum traffic to both Worcester and Stourport. The introduction and development of pipe lines have adversely affected the volume of business above Worcester.

**Lee Navigation (below Enfield)**

This section of the navigation extends from the River Thames to Enfield, a distance of some 13 miles. It can be entered either by way of Bow Creek and Bow Locks or from the Thames through Limehouse Lock and Cut. Tonnage carried is substantial and covers a wide range of traffic, including timber, general merchandise, coal and liquids.

A major point so far as this navigation is concerned is that earlier legislation provided for the passing of traffic in the Bow/Stratford area toll free, so that the Board receive no revenue. This situation has been debated many times. The Board have no proposals to put forward at present, having—for one thing—not yet had opportunity to consult the many interests appropriate. But it is important to draw attention to the fact that the Lee has a greater navigational importance than its toll yield would suggest.

**Grand Union Canal (below Uxbridge)**

This section of the canal is from the junction with the River Thames at Brentford to Uxbridge, a distance of approximately 12 miles, together with a further section of 22 miles extending from Bulls Bridge Junction at Southall through to London and connecting with the River Thames at Regent's Canal Dock, Limehouse. A further small link of $1\frac{1}{4}$ miles at Old Ford (Hertford Union Canal) connects the Grand Union Canal with the

River Lee. The main traffic on this canal is timber and general merchandise over the short section from the Thames at Brentford to wharves in that area, including the Board's own major Brentford Depot.

**Caledonian Canal**

The Caledonian Canal (extending for 60 miles from Clachnaharry, near Inverness, to Corpach, near Fort William) connects the North Sea with the Irish Sea and can take vessels of up to 400 tons capacity.

**Crinan Canal**

The Crinan Canal links Ardrishaig with Crinan—a distance of nine miles—and provides a sheltered passage for vessels of up to 150 tons capacity from the Clyde to the West Coast of Scotland.

Neither of these Scottish canals serves an industrial area and both have long presented financial problems; but their regular, if limited, use by sea-going ships and fishing vessels, together with their physical and geographical characteristics, suggest that they should not be excluded from any present realistic list.

86. Apart from the principles of charging (which are discussed later) we do not want to make any detailed comment at this stage about this group which we have described as in the major transport field. As a group they lost about £200,000 in 1962. The Board are hopeful that measures which they have taken will reduce that deficit by about 50 per cent. (i.e., to about £100,000) in 1963. We shall endeavour to improve the position by management economy, and by an active policy of encouraging industry to use water transport where appropriate. Against the general background set out earlier in this chapter, we are under no illusion that results will be easy to achieve.

## WATERWAYS WITH OTHER TRANSPORT USE

87. We now turn to those parts of the waterways which have some transport significance, though not a major one. The difficulties besetting water transport at this time have already made us define "major transport use" rather austerely. We feel strongly, however, that it would be unwise and untrue to say at this time that all those waterways which do not earn really substantial financial returns from transport activities necessarily have no transport use or potential. In an overcrowded and highly industrialised island, we think it is in the national interest to be cautious in reaching conclusions which would finally cut out any useful part of the transport system, where this may have relatively minor value now but might have some better revived transport potential later on.

88. For this reason we show as a broken line on Map A a number of waterways which, although not of major transport use, have some commercial transport aspect which should not be disregarded. They are the following:

Birmingham Canal Navigations (part)
Birmingham and Fazeley Canal
Coventry Canal (part)
Grand Union Canal (Uxbridge to Birmingham)
Grand Union Canal (Slough Arm)
Kennet and Avon Canal (Avon section)
Kensington Canal
Leeds and Liverpool Canal (part)
Lee Navigation (above Enfield)
Oxford Canal (part)
Shropshire Union Canal (main line)
Trent and Mersey Canal (part)
Trent Navigation (above Nottingham)
Witham Navigation (part)
Worcester and Birmingham Canal (part).

89. These waterways comprise some 400 miles but carry less than 10 per cent. of the total commercial traffic. Individually some carry at least a modest traffic, though insufficient to justify their inclusion as having a "major transport use". Others carry very little traffic indeed, their revenues from this source being minimal. Of all it can be said at once that there is no prospect, in current circumstances, of their receipts from traffic tolls covering their expenses. The list is to some extent arbitrary, and necessarily provisional at this stage. In some cases the traffic carried in 1962 on an individual waterway passed only over a particular stretch and not throughout its length; moreover we have excluded certain waterways altogether, as explained in the next paragraph.

90. The waterways not so far mentioned (as having either major transport use or some transport aspect) virtually carry no traffic. There are cases where a very small amount passes on them here and there, on occasion. There are such movements, for instance, on the Ure Navigation, part of the Stourbridge Canal and part of the Staffordshire and Worcestershire Canal. But, even bearing in mind what has been said about the possibility of reviving transport potential, we do not think it realistic to call them waterways with a transport use in any meaningful sense. These waterways carry certainly less than 0·1 per cent. of the total traffic. The other uses which some of them have will be discussed in later pages.

## PRINCIPLES OF CHARGING

91. The method by which charges should be raised for the use of the inland waterways for commercial transport has been debated for many years. There are many possible approaches. There is the interesting, but controversial, argument that the waterways should be available free to whoever wants to use them. There could be a system of lockage and tunnel tolls (i.e., in principle, charging for the use of certain installations rather than the waterways themselves). There could be many systems. But there are perhaps two main realistic approaches in this country at this time. There are those who argue basically for the retention of the present "toll" system; that is to say, generally the payment of so much per ton-mile on goods carried. And there are those who argue for a "licensing" system; that is to say, the periodic payment of so much per boat, the amount varying according—for instance—to the size of boat, but not according to the distance or frequency of the boat's journeys within the area covered by the licence.

92. Under the Transport Act, 1962, the Board are clearly empowered to make such charges as they think fit. This, the Board consider, implies a duty upon them to exercise their best commercial judgment to maximise revenue. It is a responsibility which we welcome and fully acknowledge. We have naturally had under preliminary review the question whether there should be any change in existing arrangements and in the direction of introducing a licensing system for commercial craft on waterways with a major transport use.

93. A licensing system has one clear advantage. Anyone who buys a licence is likely to be encouraged, by the nature of the payment, to make as much use of his licence as he can. Thus there may be an inherent tendency to increase the utilisation of assets, which in itself seems to be good. But those who favour the licence system urge that it has other advantages which are more open to debate. It is argued that a licence system eases the burden on the trading community; that it is simpler than a toll system; and that it has the advantage of enabling traders to know clearly where they stand.

94. The burden on the trader (be he carrier or customer) would clearly be eased if a licence were set at a low or nominal figure. There would be pressure so to set it. Whether this would be justified, of course, raises fundamental questions of the philosophy governing the levying of charges; it probably also involves comparisons between the

waterway economics and the economics of alternative forms of transport. If it is simply assumed that every effort should be made to have major water transport pay its way then (bearing in mind that the waterways carrying it, as a group, do not currently earn a surplus of income over expenditure) the licence fees would have to be set at levels to produce broadly the present revenue. It is true that if a change to licensing increased trade (in the sense of attracting more boats to the waterways) there would be room for reducing the amount of the licence. This is a beguiling argument; but the Board consider that, at any rate at this stage, it would be quite unjustifiable to assume a net improvement in the revenue position from that cause.

95. The argument that a licensing system would be simpler than a toll system is much open to doubt, unless the licence were set at a largely nominal level (on the objections to which we have just commented). There would have to be a fairly sophisticated system of differentiation; there would have, for instance, to be fees graduated according to period (per week, per month, and so on) if the occasional trader was not to be driven from the waterway. There might be a demand for granting refunds for boats withdrawn for repairs. There would certainly have to be differentiation according to size of craft, and special arrangements would also be required for certain specialist types of craft. Also, there might well have to be special conditions to the licence; for instance, if the intensity of operation reached a point where the Board's operating costs were increased—say by requiring locks to be operated round the clock—then there would have to be some provision for surcharging. All these points are not mentioned to suggest that a licensing system could not be worked out; manifestly one could. They are mentioned only in the context of simplicity.

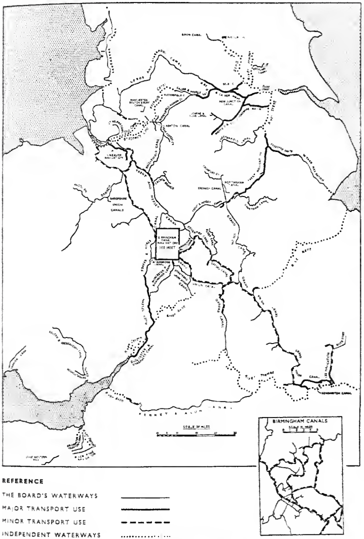
96. As to the traders "knowing where they stand", they are in this position under the present system. Moreover, the tolls system gives some flexibility in any particular set of circumstances. In other words, the relative "remoteness" of the licensing system would be a by no means unmixed blessing. This is of special significance in the difficult competitive trading conditions of the present time.

97. The existing system of toll charges has been built up over a period of years. While the Board will continue to keep the whole subject under review and propose to make further studies, our present thinking is that a radical change in the structure of the charges system might not only result in loss of revenue but also prove inequitable in application as between one trader and another.

98. The position on the narrow canals is, for a number of reasons, totally different. The special difficulties with which they have to contend have already been mentioned. Often there are many locks. Always the craft which can navigate them are seriously restricted in beam (and hence in carrying capacity). The idea of "breaking even" financially, on a transport basis only, on these canals must surely be an illusion. As we shall explain, we have already come to the conclusion that our own narrow boat fleets cannot continue to trade successfully, whether or not a toll is charged.

99. In these circumstances a quite different set of considerations comes into play. We want to do all we reasonably can to assist independent traders who wish to continue to operate. Earlier in 1963 we encouraged an experimental arrangement under which a private narrow boat operator was permitted to trade on parts of the Grand Union Canal on a licence basis. This experiment is now launched, though it will be some time before its long-term outcome can be rightly assessed. Certain other parts of the total remaining narrow boat traffic, however, are declining progressively and rapidly. If the present position continues the situation in these parts of the system will, in the Board's judgment, quickly deteriorate beyond hope of recovery. We do not want that to happen simply through any prejudged doctrine of the Board. We have therefore come to the conclusion

## Map A (England and Wales) : **COMMERCIAL TRANSPORT**



**REFERENCE**

THE BOARD'S WATERWAYS ————
MAJOR TRANSPORT USE ━━━━
MINOR TRANSPORT USE – – – – –
INDEPENDENT WATERWAYS ……………

that the right course is to make some extension of these experimental licensing arrangements to boats trading on those narrow canals where we find that the likely future situation of the canal can be reasonably held to warrant it, and where the Board would not find themselves committed, by the issue of licences, to maintenance costs exceeding those required under the "moratorium" section of the Transport Act, 1962. The terms of the licence would be devised so as to include occasional and partial use of such wide canals as, for instance, join the narrow canals; but the intention and purpose of the system must be to limit it to those boats which are basically trading on narrow canals.

# CHAPTER VII

## RELATED COMMERCIAL ACTIVITIES

100. We turn to some of the Board's commercial activities which arise out of, or are related to, our role as the provider of inland transport navigations.

## WIDE BOAT FLEETS

### The Board's Carrying Fleets

101. Under the Transport Act, 1947, certain fleets were vested in the British Transport Commission. These operated on the Aire and Calder Navigation, the Trent Navigation and the Leeds and Liverpool Canal. Since 1947 additions have been made—usually to retain tonnage on the waterways. As already explained, some 90 per cent. of the carrying on waterways with a major transport use is in the hands of the independent carriers and lightermen. The Board themselves operate some 800 boats (including the tugs). We shall not here attempt a detailed survey; but broadly the position is as follows:

**Compartment Boat Fleet**

The main function of this fleet is the carriage of coal (some 487,000 tons in 1962) from waterside collieries, located mainly on the Aire and Calder Navigation, to Goole Docks—where it is unloaded to steamers by special tippler hoists owned by the British Transport Docks Board.

**Aire and Calder Fleet**

The operations of this fleet are mainly the conveyance of traffic from ships in the Humber Ports to inland destinations—principally the Board's depots at Leeds and Wakefield. There are few return loads. Tonnage carried fluctuates only slightly and in 1962 was 43,000 tons, of which 7,000 tons were carried in hired craft.

**Trent Fleet**

This fleet operates mainly between the Humber Ports and the Board's depots at Gainsborough, Newark and Nottingham, principally the latter.

In 1962 the fleet carried 92 000 tons, approximately the same as in the immediately preceding years.

**Sheffield and South Yorkshire Fleet**

Operating mainly between the Humber Ports and the Board's depots at Sheffield and Rotherham, this fleet conveyed 32,000 tons in 1962, of which 6,000 tons were carried in hired craft.

**Severn Fleet**

This fleet principally carries general merchandise from Avonmouth Docks to the Board's depot at Worcester. There is also seasonal timber traffic. Tonnage carried in 1962 was 90,000 tons, of which 2,000 tons were carried in hired craft. It is tending downward. The Severn fleet provides a lighterage service for timber discharged overside from ships in Sharpness Docks, for delivery to waterside premises mainly on the Gloucester/Sharpness Canal. During the timber importing season all lighters available in the docks are fully occupied for much of the time, and the Board's services (which handle about 20 per cent. of the timber) play an important part in the trade, including the turn-round of shipping.

**Northern Fleet, North Western Division**

The fleet comprises the original Northern fleet, taken over from Canal Transport Ltd. on nationalisation, augmented by craft purchased early in 1962 from John Parkes & Son Limited. The Northern fleet, after a period of mixed fortunes, had a substantial traffic of pit shale in 1960 and 1961. But this traffic ceased in 1962. The former Parkes fleet carried coal from Wigan to gasworks in Liverpool.

102. We can comment on all these wide boat fleets, save the last, as a group. They made a loss of some £45,000 in 1962 (before allowing for central administration charges). But they contributed over £100,000 in tolls to the cost of keeping up the waterways. They bring business to a number of the Board's depots; but they have to contend with difficulties of underutilisation—one way hauls and peaks and troughs of demand.

103. We have freedom in law to vary the rates charged for carriage by these fleets. In practice, the rates depend on what the traffic will bear. Traffics carried by the fleets are usually those which our larger competitors (rail and road) want themselves to obtain; so conveyance charges have tended to fall rather than rise in recent years. It has not been possible to make any general increase in rates for the past five years; and, even when increases were imposed, they were inadequate economically and lagged behind increasing costs.

104. Our immediate task for the future must be to carry on, and improve upon, efforts to enhance efficiency and to increase business. These things we are already trying to do. The fleets in this group will continue to be operated on that basis, at least until the Board have given the arrangements the fullest and most exhaustive trial.

105. Unfortunately, the same cannot be said of the Northern Fleet (North Western Division). Following the loss of the pit shale traffic, the coal traffic for the North Western Gas Board is coming to an end. The Board have, therefore, no option but to terminate the operations of this fleet.

### The Independent Carriers and Lightermen

106. Although they are of course not part of the Board's own undertaking, this is an appropriate point for recording the importance of the activities of the independent carriers and lightermen. They carry over 90 per cent. of the total waterway tonnage and contribute 87 per cent. of our toll revenue. Their main traffic is coal but there are also substantial tonnages of liquids in bulk and general merchandise. A strong and healthy liaison is maintained with the National Association of Inland Waterway Carriers and no opportunities are ignored for introducing traffic to them for carriage over the system.

## NARROW BOAT FLEETS

107. On the 1st January, 1963, the Board became responsible for narrow boat fleets in the south east of their system and the north west. Business was declining rapidly and this decline has tended to accelerate. We have explained that the scale of commercial transport operations over the narrow waterways is small. It appears that, if there is a future for it, it may lie more in the use of some kind of relatively small, and perhaps "profit sharing", organisation than in normal terms of large scale company undertakings. Against this background, we have already regretfully decided that it is right to run down our own narrow boat fleets, and to look to private and individual enterprise to experiment in this field where conditions seem to justify it, in agreement with us. This run down of the Board's own fleets has already, in large measure, been put in hand and the process is expected to be completed by the middle of 1964.

## WAREHOUSING

108. The Board have vested in them some 30 warehouses, marshalled into 16 (probably to become 11 by amalgamation) organisational "depots". Warehousing is a valuable and essential activity for us. We cannot over-emphasise this. As one of our activities it emerges from and is interconnected with our traditional transport role. All the warehouses are sited adjacent to waterways and were originally constructed to service water-borne merchandise. The extent to which they currently service wholly water-borne merchandise varies; very often this aspect preponderates. The Board, of course, wish it to continue to do so and intend to do everything possible to maintain and increase it.

109. The warehouses are variously constructed and their ages extend back from the present day to over 100 years ago. The most recent are single storey structures, but some of the older buildings are multi-floored. Regrettably, not all of even the newer warehouses incorporate the good design features incorporated in those now under construction or built in the very recent past. So, here as elsewhere, the assets which we inherit come to us with their own inbuilt difficulties.

110. This is not the time to analyse detailed operations, case by case. Nor is it the time for us to seek or propose any changes in the law which governs us in this particular field although, when the next stage of our more detailed enquiries is advanced, we may well want to consider some such proposals. Enough for the moment to say that our aim must be economic administration combined with all efforts to win business. It is enlivening that the warehousing activity, taken as a whole, is showing a profit—in spite of problem cases. Where and when it is expedient, we shall extend the scale of operations in line with our powers under the 1962 Act. With this in mind some major extensions of facilities, at Brentford and at Rotherham, have already been authorised by the Board and construction is in hand.

## DOCKS

111. The assets vested in us include certain relatively small docks, all linking with the inland waterways system and forming part of the pre-nationalisation navigation companies. The docks are Regents Canal Dock, Weston Point Docks, Gloucester Docks, Sharpness Docks, Ardrishaig Dock (on the Crinan Canal) and Ellesmere Port Docks (the last being held jointly with the Manchester Ship Canal Company and run day to day by the latter under the general supervision of joint Directors and Management Committees).

112. The operation of these docks as a whole is currently showing a small profit; the Board will naturally try to improve on this by normal management processes. It may be, however, that in course of time the deliberations of the National Ports Council will come into the picture and influence the future of our docks. It is too early to speculate on this. Our special and important position at Goole, which is not one of our own docks, has already been referred to in the previous chapter (paragraph 85).

## ESTATES

113. In 1962 the undertaking earned about £300,000 (net of expenses of collection) from rents and wayleaves in respect of non-operational estates. The position is worth briefly explaining.

114. By "operational estates" we here mean land that is required for the maintenance of the waterways, or for purposes related to any of the Board's development or use of those waterways. We have other lands, or might develop other sites, which would not be within that category; we should call these "non-operational".

115. As we see it, our object should be to maximise the revenue earning capacity of our assets, and so to minimise any possible residual financial burden on the Exchequer.

The development of our estates is not something apart from our other activities. On the contrary, it is advisedly included by us in this chapter about commercial activities related to the waterways. It seems to us that it is only those entrusted with managing the waterways themselves who can really know when the time has come to make a judgment about whether a particular piece of land could more suitably be regarded as operational or non-operational. And, even when this decision is made, development will have to take account of many legal and historical complexities of which knowledge is contained in the Estates and Legal departments of the Board.

116. To say this is not, of course, to suggest that an undertaking of this relatively small size would be wise to rely only on its own resources for estate development. In addition to the alterations in internal organisation already referred to, we have it in mind to ensure that we can readily enlist consultant advice whenever appropriate. This is in hand.

117. While the development of the Board's estates is a valuable and important activity, it should not be rated as any kind of panacea for financial ills. The old navigation companies did not usually own much land. Their urban centres tended to be in parts of towns and cities with which time has dealt harshly. Often such valuable land as a company did own was sold to meet financial stresses of earlier days. All this is particularly true outside the London area, which at present yields about half the current revenue.

118. So what is needed is a continuous survey of opportunities for improvement, both in rent revision and in new development. Forecasting here can be nothing but hazardous, but the Board would hope for a gross increase of the order of £100,000 per annum by about the end of the present decade.

# CHAPTER VIII

## WATER SUPPLY AND CHANNELLING

119. Map B (page 35) shows which waterways are "important" from the water supply point of view. It will be seen that much of the total system is so described. Here we explain how the Board come to be concerned in this activity, what its extent is, what is meant by "important" and what the main problems seem to us.

120. In offering any comments on this subject at all at this stage we are very conscious of the fact that Parliament has only recently enacted the Water Resources Act of 1963, that the Act has still to be put into detailed operation and that our own future functions in water supply and distribution in England and Wales will—and should—depend upon close consultation with all those responsible for operating that Act. Anything we say now on this subject must obviously be read as subject to that clear reservation.

121. The waterways system derives its supplies from various sources. The most important is reservoirs, of which the Board own more than 90. These feed a great deal of the system by the natural gravitational flow. Supplies of water also come from small streams flowing into the waterways, from drainage of the surrounding land and from supplies pumped up in some areas from mine workings or from wells. In addition, supplies come into the system from sewage disposal works (after treatment to standards prescribed by River Boards) and there are surface water discharges from canalside factories and other sources. The river navigations largely depend, of course, on the natural river flow.

122. The building of reservoirs, diversion of streams, building of weirs, and similar matters, were authorised under the original enabling Acts for the purposes of navigation. The sale of water was very much a make-weight activity, if it existed at all. With the growth of industrial demand on the one hand and the decline of inland waterway navigation on the other, the relative importance of water sales has progressively grown. It was—after a period when the legal basis might possibly have been disputed—recognised in Section 10(3) of the Transport Act, 1962, that, where water was found to be available for sale in the course of running the Board's undertaking, it should be recognised as a permissible power of the Board to sell it. This we welcome.

123. The Board already supply large quantities of "raw" water for industrial use (including cooling). They also supply water to agriculture and some to public authorities. The revenue from water sales in 1962 was nearly £590,000—an increase of nearly £190,000 over 1956.

124. In the years to come revenue may not go on growing at this rate; the recent increase has been the result of a special effort in a previously neglected field. Moreover, we do not know what the impact of the new Water Resources Act on water prices will in the end turn out to be. But the long-term future here certainly does not seem dull. The demand for industrial water is increasing all the time; and the national problem of intelligent conservation and use of water resources engages public attention and the formulation of public policy more and more.

125. On the expenditure side, it may be necessary in some cases to reduce costs by converting lengths of waterway into water channels. The reasonable requirements of pleasure cruising (as discussed in the next chapter) must be taken into account, but all the same conversion to water channels will sometimes be the wisest answer where other uses are only minor and where maintenance costs are heavy. Even on such converted channels the use of non-powered pleasure craft, and facilities for angling, would often still be possible.

126. Although further detailed studies have been put in hand, the main lines of the water supply and water sales picture are, of course, known. The Board have naturally looked at the whole of their system from a water supply point of view, in looking at all existing and potential uses. The results are illustrated in the Map B referred to.

127. The marked lengths on this map are those parts of the system on which water supply or water channelling is "important". This word is not used to imply that the lengths shown all break even financially by reason of water revenues. Often they certainly do not. What the marked lines show is those parts of the system on which substantial abstractions of water are already taking place, together with those lengths of the system which must be retained if water is to be moved from the points of origin to the points of demand. Certain lengths are shown in broken line; in those cases the argument for retention depends on special factors (for example, the possible need to move supplies in years of general shortage, or to increase the flexibility of water circulation in areas where large and concentrated abstractions occur). The map therefore indicates those parts of the system which it seems desirable to retain physically to afford supplies to existing users. No account has been taken of cases where the amount supplied is half a million gallons per annum or less.

128. A large part of the total system will be seen to be included on the map. We do not think this is unreasonable. The supply of water serves industry and any drastic interference with the present pattern of supply might well cause some dislocation; and given the foreseen growth in demand, it seems to us to be of very doubtful national benefit to reduce important facilities for water supply on too narrow and short-term a conception of financial return. The costs of the alternatives (maintaining a waterway on existence standards or eliminating it) must also be taken into account. In fact, the Board consider that more detailed examination of all factors involved may lead to minor alterations of the map, but is unlikely to change it in a major way.

129. As the Board's investigations progress, and consultation with those concerned in implementing the Water Resources Act develops, it may emerge that capital expenditure by the Board for water-sale reasons would be economically justified if legally permissible. Such expenditure might be designed primarily to increase supplies (particularly, probably, by increasing the capacity of reservoirs) or primarily to enable the Board to move supplies away from where industry is contracting (we sell a good deal of water to British Railways engine sheds, for instance) to areas of growth. And although the short-term future has its darker spots, the Board attach importance—for the long term—to the interesting fact that their system can almost be said to offer in one sense a potential ready-made "water grid" stretching from Lancashire to London and from Yorkshire to the Severn.

**Charging policy**

130. Where we are not bound by statutory limitations or by long-standing agreements, and subject to what national future policy may emerge from the Water Resources Act, we feel that our right aim should be to secure charges representing the value of the water to the consumer. We recognise that we are faced with competition from other authorities, and that water like other commodities has its market value. But we should want to take advantage of any natural assets which we are properly able to offer to intending consumers in this expanding field.

131. The main object in this and every branch of our activities as a Board must clearly be to maintain and utilise our waterways system in the best national interest within our proper powers, and to increase revenue wherever it is possible and reasonable to do so. But there is for us also a secondary object of policy—the rectification of certain present inequities of free and unduly cheap supplies. How much money there is in this can be debated. If current rates were charged to all those now taking water free, or cheap, there might probably be some tens of thousands of pounds per year additional revenue. But provision might have to be made for compensation in cases where there was real loss to a user (as distinct from the elimination of an unexercised and perhaps dubious right): this would offset the gain to some extent. Some users might take their custom elsewhere: that is another offset. But, even after allowing for these things, an overhaul of the present position seems very necessary.

132. The free supplies come either from rights granted by the original Acts, or from old and termless agreements, or from custom and practice. The Water Resources Act has some impact on this, and much will depend on where the right to obtain licences in most cases lies. In commenting on this situation, however, a Government spokesman on the Water Resources Bill (as it then was) did draw the attention of Parliament to the fact that the Bowes Committee had suggested that steps be taken to deal with obligations to provide free or unduly cheap supplies of water. He went on to say:

> "If these now represent obligations which are out of date and burdensome upon the owner of the artificial stream or navigation, it seems to be fair that Parliament should have an opportunity to consider in the context of future general waterways legislation whether it is right to allow them to continue. This Bill would not be the correct context in which to do so. Therefore, while it is proper for it to deal with artificial streams as well as with natural ones, it should not be assumed that any protected rights to take water from such artificial streams conferred only for the purposes of this Bill will necessarily continue indefinitely."

This will all be obviously a matter for consultation and review in our next stage of more detailed enquiries.

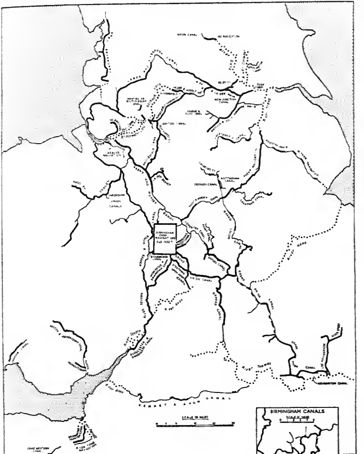
133. Agreements for supplies from canals at low rates for long terms were, early on, usually entered into as a *quid pro quo* in an arrangement for attracting traffic to the canal (or to the railway company which owned it). We find that some firms are sympathetic towards approaches for increased charges; but the present system, if it were to remain unchanged indefinitely, would be manifestly not conducive to maximising revenue. There are also many minor cases where the problem is not just the amount of the free supply but rather the very *obligation* to supply (e.g., for watering farm animals). Whatever future policy emerges for the future of any particular canals, these minor obligations are bound often to confuse and worsen what is a complex enough problem in any event. If and when provisions can be made for relieving the Board of unreasonably onerous inherited responsibilities, this is an aspect which should be kept much in mind.

### The Water Resources Act, 1963

134. As already stressed, the whole subject in regard to water supply and water channelling will be much affected by the operation of the Water Resources Act. The Board would not regard it as appropriate—or themselves as competent—at this stage to offer any detailed comment on the Act as it affects them. Indeed, we are well aware that, in the presentation to Parliament of the proposals which have now been written into the Act, much was specially done to safeguard the proper needs of the Board. As a Board, of course, we were not in existence during all the stages of the passage of the relevant Bill through Parliament; nor has it yet been possible for us—or, we imagine, for those others who will be most closely concerned with implementing the Act—to be clear in every detail as to how it will operate and how we shall be affected by it in our own undertaking. This

is not, therefore, the time for us to comment at all on the possible effects of the Act; it should rest rather with us to seek as much contact and consultation as soon as we can with the new River Authorities and the Water Resources Board and others who will be mainly charged with the Act's operation, and to see what part we can best play in the national interest in this field.

# Map B (England and Wales) : **WATER SUPPLY**



**REFERENCE**

| | |
|---|---|
| THE BOARD'S WATERWAYS | ——— |
| OF MAIN CONCERN FOR WATER SUPPLY | ━━━ |
| OTHERS CONCERNED | – – – – |
| INDEPENDENT WATERWAYS | ………………… |

# CHAPTER IX

## PLEASURE CRAFT, CRUISING, ANGLING AND OTHER USES

135. We have referred to those aspects of the waterways and related activities which are most important from the financial point of view. It remains to refer to those other activities which may often overlap the same water "track" as the uses so far mentioned, which can to some extent be developed as a supplementary—though not self-sufficient—source of revenue, and which are, moreover, regarded by many people as activities desirable in themselves.

### Pleasure craft and cruising

136. General comment bears abundant witness to the appeal, present and potential, of pleasure boating on the inland waterways. In an age tending to increasing leisure, and the search for new fields for less congested enjoyment of it, we feel there should be a likely increase in this kind of activity—and therefore in much needed revenue from it—provided that people can have a fairly definite picture of what the future holds; particularly provided that those who are most competent to develop it in the business enterprise of hire-craft and related services can know how reliable their facilities are and for what reasonable time these will be available to them.

137. It is important to get not only the amenity aspects, but the economics, of this in some reasonable perspective. In the light of the "facts of life" about the cost of canal maintenance, already roughly outlined in Chapter IV, it is difficult to imagine pleasure boating in itself as likely to pay fully for its own maintenance on a waterway maintained solely for it. But to picture separate waterways earmarked for particular purposes in that way is exactly what we are trying to avoid. In fact, pleasure boating should be, wherever possible, one activity shared with others on the same "track". Where this is not possible, then it would probably be easier to develop it on a "swings and roundabouts" principle, if it were regarded as only one of the wider activities of a waterway system developing other uses elsewhere—another reason for our predilection even at this stage for the idea of a multi-user policy. At any rate, it is in this pleasure boating field that we mainly confront the problem of reconciling the "social policy" and the "balance sheet" considerations, or in some way of riding them in double harness—which seems to us a problem inherent in the waterways undertaking.

138. We have set out in Map **C** (page 40) the Board's first thoughts about what could be a basic pleasure cruising network. We shall explain briefly the thinking behind that map, and it is essential that the map itself be viewed in the light of this explanation.

139. Understandably, pleasure craft activity has never had the same apparatus of detailed statistics as commercial transport has enjoyed. Our knowledge of pleasure craft movement over each particular stretch of water is incomplete. We know that there are few of our waterways which have literally no pleasure boating at all. The general scale of the activity is indicated by the fact that some 10,500 comprehensive cruising/mooring

licences were issued in 1962. Because of changes in the licensing system, exact comparisons with the past are difficult; but on the whole it can be said that the amount of activity has at least doubled in the last decade.

140. Against this background, and in the light of all the facts so far known to us, we have tried to form some assessment of what would be a reasonable network. We are only too alive to the difficulty of deciding what is "reasonable" here. The map has been composed primarily from those stretches of canal where there is currently extensive use. This we thought a more realistic (and less authoritarian) approach than that of devising "ideal" routes. The resulting system would, however, have the incidental merit of enabling pleasure craft, if they so desired, to cross England from north west to south east and from south west to north east. Such a system would also provide a number of "touring rings", so that pleasure boats could go on a tour of relatively short duration without retracing their own route. For instance, such a route is formed on this Map C by the upper part of the Staffordshire and Worcestershire Canal, the south eastern end of the Trent and Mersey Canal, the Birmingham and Fazeley Canal and connecting part of the Birmingham Canal system. There is another circular route adjoining this one but to the east of the Birmingham and Fazeley Canal. The larger circle involves using the Grand Union Canal and the South Oxford Canal and (outside the Board's system) the Thames.

141. This is all rather tentative, pending more detailed enquiries and consultations to come. But the map may serve to focus discussions and so assist in clearer policy forming. What we, at this stage, regard as the more doubtful candidates for inclusion are shown with a broken line on Map C. In this connection two general comments may be made.

142. The first comment is that the feasibility of retaining these more doubtful candidates in the list, if not some others too, will depend in part on the outcome of the fuller engineering survey which we have said we propose to put in hand and also on the success of the policy of co-operation with other interested bodies and people to which we shall attach so much importance in the next stage of our work.

143. The second comment is that in some cases continued maintenance of particular structures or lengths may be found to depend upon the users being prepared to make some special contribution, e.g., by way of some *ad hoc* toll. This might prove to be suitable, for example, for certain canal tunnels whose future has hitherto been in doubt. It might also be appropriate for certain branch canals or canal lengths where it would be difficult to preserve cruising facilities without some special subvention levied upon the users who want them preserved. It is, at least, an idea which we intend to keep in mind.

144. In compiling Map C we do not yet offer any detailed commentary on the waterways earmarked in it (although, for other reasons, some comment on a few special waterways is contained in the chapter which follows).

**Bankside facilities for pleasure boating**

145. The Board have already quite extensive facilities, ranging from yacht basins and mooring sites to rubbish disposal bins and water taps. We think we should review the extent of these facilities and expand them where this is desirable. We should expect expenditure of this kind normally to cover itself, taking all material factors into account. We regard it as essential, in this whole matter, to work in close contact with those engaged in the pleasure cruising industry. We also see it as one of our responsibilities to provide and sell appropriate literature about the use of the waterways for pleasure purposes, the range of publications being constantly reviewed to meet current needs. Indeed, there is a great deal of room for intelligent wider publicity by the Board about the waterways and what they have to offer, in every field of their activity.

146. Amongst the facilities which the Board could usefully provide to the general benefit might be a sort of "breakdown service" by which arrangements would be worked

out for staff from our repair yards to be available to cover as much as possible of the waterways system in the event of pleasure cruiser breakdown. We have not yet discussed any such scheme with the boat hirers or others, and its merits would have to be evaluated. But it would seem that, if such a scheme were worked out it might be to the common advantage; if it gave the boat user more sense of security it might appreciably contribute to expansion in the use of pleasure craft. It may be, however, that such arrangements would impinge on the limits of our present statutory powers; while we think that in our repair yards we have installations which could be of wider use than the servicing of our own boats, we understand that as the law stands the yards are limited in the craft with which they can deal. At this stage it would clearly be too early for us to consider recommending changes in legislation.

### Pleasure craft licensing

147. Before 1962 separate cruising and mooring licences were issued. Now there is a comprehensive cruising and mooring licence. This system (which we inherited) we think is broadly on the right lines for the immediately coming years; we have, for 1964, made only a minimum change, intended to encourage particularly the more youthful users of pleasure boat facilities—that is to say, those who use canoes or unpowered boats not using locks. We have sought the views of the boat clubs and other users upon the licensing system and those views will be taken into account. As far as the longer term future is concerned, the whole matter rests to be further considered. If we can foresee, as we think may well be the case, a future policy under which reasonably long security of tenure on some prescribed pleasure craft system will be assured—and as a policy of improving facilities in conjunction with related interests develops—there may be a good case at the proper time for increases in licensing charges, quite apart from adjustment to take account of rising costs.

### The Board's pleasure craft fleet

148. The Board themselves operate certain pleasure craft. These include the "Zoo Bus" (which has become a popular feature of the London scene), the "Water Wanderer", operating on the Trent and the Fossdyke Navigations, and the "Scot II" which is a multi-purpose craft which, in the summer, plies for pleasure on the Caledonian Canal. These special activities we propose to continue.

149. In recent years our predecessors have also been hiring out a range of boats, some of them very small, others ranging up to 4/6 berth cruisers. We have reached no final decision upon our own general hiring policy. To improve the economics of operation we have reduced the number of types of boats which we operate and have concentrated now on two centres (at Middlewich and at Birmingham). Moreover, as part of the general reorganisation already described, our own fleet will, in future, be managed by a Fleet Superintendent directly responsible to Headquarters.

150. These are interim arrangements in the interests of efficiency and there remains the broader question of whether the Board should continue as a direct operator at all. There are arguments on both sides. The Board will wish to see how far the management measures they have taken improve the position before reaching a final answer, and also to confer with others operating in this field. It is conceivable that the best long-term outcome will be for the Board to provide the "track" and (in co-operation with the rest of the industry) facilities of all kinds, while leaving to private enterprise the task of hiring out their boats, all this being devised on a proper and reasonable financial basis. We intend to look into this carefully.

### Angling

151. About three-quarters of the Board's waterways (roughly 1,500 miles) are suitable for fishing. The balance is made up partly of urban canals, partly of canals and rivers

where traffic continues to prove a hindrance to fishing, and partly of canals which are too shallow and overgrown with weeds to be fished. The fishing in question is mainly coarse fishing. Nevertheless, the facilities offered do provide an important recreational facility. The popularity of angling is increasing and many fishermen use the inland waterways.

152. The revenue from angling is minute, compared with the cost of maintaining waterways. In 1958 some £7,000 was collected and in 1962 just over £16,000. Of this revenue about £3,500 comes from reservoirs, the rest from the navigations. There are several reasons why the revenue is so small. The first is that the nature of the fishing obviously would not attract anything like the sort of money that comes from fishing rights on rich fly-fishing stretches of water. The second is that there are many stretches of waterway where the fishing rights were reserved to the riparian owners. The whole statutory position is, indeed, extremely complex.

153. The Bowes Committee favoured a legislative change whereby fishing rights on the inland waterways, except natural rivers, should be transferred to the undertaking which would then operate a system of licensing; though the Committee said it was clear that even a steep increase in revenue would make no important contribution towards the "upkeep of the system". The revenue has been increased since the days of the Bowes Committee. The Board do not feel at this time that they can do more than to continue (as has, broadly speaking, been the case in recent years) to negotiate with angling societies and others such agreements as are equitable. It may turn out, later on, if and when legislation for more general waterways purposes becomes necessary and practicable, that this is a point to be looked at again.

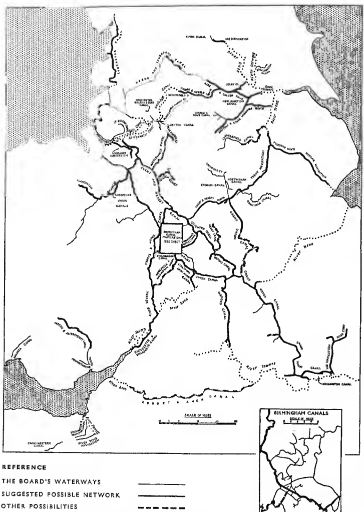
154. As to the question of what are the waterways used for angling, the area is so broadly spread that no useful map could be prepared.

### General recreation and amenity

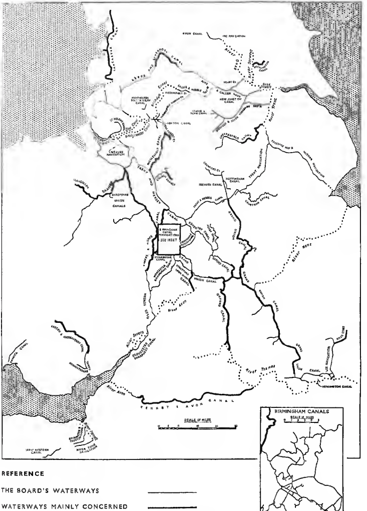
155. The recreational value of the canals is not confined to the boating and angling communities. Many people well know from their own experience, and that of others, the almost unique and very special attraction which characterises many of the rural canals in this country. The attraction or the beauty of particular waterways—or whatever it is that makes them seem so much a specially worthwhile national asset—is something on which judgment is subjective and individual. The Board, mainly as a tentative illustration, have tried to indicate on Map D (page 41) which canals they believe a majority of people would consider to be most worth preserving in the national interest even if they were neither fished, nor navigated, nor used as water channels. It will be observed that (as is natural) the canals marked in Map D correspond very largely with those marked in Map C (the pleasure cruising waterways).

156. Only a few real problem cases occur where these maps do not overlap—the summit of the Leeds and Liverpool Canal, for example. This canal is referred to in the next chapter. A word of comment in passing is appropriate on the Lee. At its southern end this waterway does pass through a highly industrialised terrain; but it also is a potential way out to the country for a large number of North Londoners. We understand that its potential from this point of view is being studied by the Civic Trust at the request of certain of the local authorities concerned, and it may well be that this waterway should be included in Map D.

## Map C (England and Wales) : **PLEASURE CRUISING**



# Map D (England and Wales) : **GENERAL RECREATION AND AMENITY**



**REFERENCE**

THE BOARD'S WATERWAYS —

WATERWAYS MAINLY CONCERNED ━

INDEPENDENT WATERWAYS ……………

# CHAPTER X

## SOME SPECIAL CASES

157. As we have made clear, this interim Report is mainly one of general comment, and we have not expected yet to reach final conclusions on the individual waterways. That obviously needs more time. We want to do this, as far as we can, in our next stage—the stage of more detailed enquiry and more specific recommendations. We hope that as that stage advances our recommendations may afford more security for the sheep with a saving of fodder for the goats.

158. But, even at this stage, we want to offer a few comments on some waterways—so as to enable more urgent consultations and studies to begin, with some idea of how we are already thinking.

159. Comments have already been made on some individual waterways, particularly some with a major transport use. It is our limited purpose now to do these additional things:

(i) to comment on the Kennet and Avon Canal which, for various reasons is a "subject in itself";

(ii) to outline very briefly our thinking about the two largest individual "losers", the Leeds and Liverpool Canal and the main line of the Grand Union Canal;

(iii) to comment on those canals which are indicated with a broken line on the pleasure craft map;

(iv) to comment on certain canals where we are at present inclined to the view that closure to navigation (in the real sense and not merely in the purely formal sense) may be the answer.

### Kennet and Avon Canal

160. At present only small sections of this broad waterway (a few miles at Reading, a few miles around Newbury, and about three miles at Bath) are navigable. The rest is being maintained in a state of delayed decay, at an annual cost of some £50,000. Few locks are usable. At least two local authorities seem to be obstructing the canal with bridges. Parts of the canal are beset by serious engineering difficulties. In 1955 the British Transport Commission proposed closure. This idea met with such opposition that it was withdrawn.

161. The waterway connects at one end with the Thames (carrying a very large number of pleasure craft, most of which are suitable for navigating the Kennet and Avon) and at the other end with the Avon, which carries a smaller, but substantial, number of such craft. From the pleasure boating point of view, the restoration of the waterway would clearly produce a major improvement of the entire system. Moreover, the canal passes through tracts of country of outstanding beauty; we understand, indeed, that the possibility of designating the entire towing path as a long-distance recreational footpath is under consideration. The Board have been impressed by the manifest enthusiasm of all those

who are willing to help in the truly major task of restoring the canal, and we have noted that a Trust already exists with restoration as its special objective.

162. Naturally we have thought about the alternatives to restoration. We believe the British Transport Commission estimated, some years ago, that the cost of full elimination would be over half a million pounds. There are always other "half-way house" solutions but most of them would involve considerable cost without offering any of the prospects of revenue, particularly from pleasure craft users, which in the long term restoration would offer.

163. There are certainly major and serious problems to be faced here. But we think, at present, that the hope of restoration merits sympathetic, careful and urgent consideration. With this hope in mind we propose soon to start discussing with the Kennet and Avon Canal Trust and other potential helpers what might be a practical and reasonable scheme.

164. One scheme might be to divide restoration into two stages, the first from Reading to Devizes and simultaneously from Bath to Dundas: the remaining section (Dundas to Devizes) forming stage two and containing the major problems of the Devizes locks, the water supply to those locks, and to the fissured section of the canal bed. If this were, on further investigation, found to be acceptable we should, during the first stage, see that the Dundas/Devizes section did not get seriously worse; but the detailed consideration of the second stage could best be left to rest for the present on the general conception already stated—that the ultimate objective was complete restoration in due course. It is only realistic to think of the programme as a lengthy one. Stage one, in itself, would be likely to take several years to complete.

165. As to cost, we feel that the first source of funds must be twofold:

(i) those which the Trust and other interested bodies or individual enthusiasts could find;

(ii) those which can arise from savings on maintenance. Maintenance has already been kept to a low level but the Board would propose to scrutinise this with great care to see if any funds could be made available for constructive work.

166. Impressed as they are with the enthusiasm of volunteer help the Board do not think that stage one is likely to be completed without some additional costs falling upon the undertaking. The acceptability of any proposal must depend on that extra call being kept to a very modest level. Provided it is so kept, *some* extra cost might be considered justified as at present the Board are spending £50,000 a year to no good purpose and restoration holds out the prospect of a waterway of great social value and a far from negligible financial potential. Tolls a good deal higher than usual might possibly be levied on craft using the completed portions. If a plan along this sort of line is endorsed it might well be appropriate, both during the restoration period and afterwards, to have some kind of recognised consultative committee—containing representatives of all who had assisted to restore the canal—to guide policy and exploit potential.

### Leeds and Liverpool Canal

167. Fine waterway though this is, it loses a very great deal of money—in 1962 it lost over £200,000 and it will do the same in 1963. These losses include heavy special maintenance expenditure. The Board are planning reduced expenditure in 1964, but even so the loss is expected to be over £150,000. All these figures exclude headquarters administration and interest charges. In the last two years traffic has shown a catastrophic decline and within a few months it is probable that only the small section known as the Leigh Branch will be earning tolls.

168. The canal earned £34,000 from water sales in 1962 and it will be observed that on the water supply map (Map B) all sections of the canal except the Walton summit and one quite short branch, are included. The water supply revenue, however, represented

only a small fraction of the maintenance and operating expenditure. As far as pleasure boating is concerned there are two concentrations of craft, one in the Bingley/Skipton area and one at the western end between Burscough and Liverpool. Most of the vessels at the western end are powered cruising vessels and tend to go on to other waterways rather than over the summit to Yorkshire. On Map D it will be observed that about 30 miles of the canal's route through the Pennines are included.

169. Although they have reached no final conclusions on the Leeds and Liverpool Canal the Board feel that given the present and (as far as they can foretell) the future usage they must give serious consideration to further reduction of expenditure even though this may mean a reduction of facilities.

**Grand Union Canal**

170. The Board are also disturbed by the losses on the main line of the Grand Union Canal. These amount to about a quarter of a million pounds a year. Toll revenue has been falling for a number of years and there is no immediate prospect in sight for arresting this decline. Revenue from water sales is appreciable but total income falls far short of meeting the heavy cost of maintenance. However, given the crucial position it occupies in the pleasure network and its potential importance in the water supply field, and given also that some existing commercial traffic, and possibly some further potential traffic, remains on this waterway, we think that there will probably be general endorsement of the view that the Grand Union main line should be one of the waterways given a reasonable security of tenure—which is so necessary to make the best use of those canals which are to be retained. We shall continue to investigate all possible methods of reducing expenditure to accord with the present usage pattern of the Grand Union Canal.

**Canals shown in broken line on the Pleasure Craft Map (Map C)**

171. These are canals where particularly careful thought will be needed to decide whether it is sound policy to give them an assured future maintained to pleasure boating standards.

172. The general problem is this: does the extent of present use and the potential justify the likely cost? The problem is, of course, more acute for those canals which are unlikely to have uses apart from the pleasure boating one than it is for canals which are, for instance, important for water supply reasons. In some cases the "fate" of a waterway may depend in very significant measure upon the degree of practical help (including financial help) which the bodies interested in its preservation are prepared to offer. The following paragraphs set out some brief individual notes.

**Caldon Branch**

This branch of the Trent and Mersey Canal is marked on the water supply map (Map B) as important for water supply purposes, and the stretch from Hazelhurst Locks to Froghall Wharf is of great beauty. The canal is, however, specifically excluded from present pleasure boating licences on safety grounds; and, although part of the canal is popular, considerable expense would be involved in rehabilitation and maintenance to pleasure boating standards.

**Trent and Mersey Canal (Hall Green to Great Heywood)**

Only the northern part of this length is marked as "important" on the water supply map (Map B). This same part is marked for transport purposes on Map A. The length, which includes the Harecastle Tunnel, involves considerable maintenance costs, but if it were not maintained to pleasure craft standards it would be impossible to get into the Caldon Branch at all or to get into the Macclesfield Canal except from the north.

**Worcester and Birmingham Canal (part)**

This canal would in its entirety form an attractive element in a cruising network. There is a fair use on the Birmingham/Tardebigge level, and also at the southern end near

Diglis; but there is less on the expensive, intermediate and heavily locked section, which therefore is marked as "doubtful" for retention to pleasure boating standards.

**Stourbridge Canal (and connecting lengths of the Birmingham Canal Navigations)**

This relatively short canal, linking the Staffordshire and Worcestershire Canal to the Birmingham Canal Navigations, is an attractive waterway which has been the subject of active local interest in recent years. It is excluded from current pleasure craft licences on account of the bad state of the sixteen locks, the restoration of which would be costly. This is a borderline case and the future of the canal may depend on the extent to which practical support may be forthcoming from interested parties.

**Grand Union Canal (Aylesbury Arm)**

This arm, which is heavily locked, incurs considerable maintenance expenditure and it may prove difficult to justify continuing to maintain it to pleasure boating standards. It is important from the water supply point of view on account of the supplies taken at the Aylesbury end for industrial uses.

**Chesterfield Canal (Stockwith Basin to Worksop)**

This canal is "closed to navigation" but the section mentioned is attractive for pleasure boating and—as will be seen—is marked in its entirety on Map D. There are considerable rehabilitation problems particularly on the Retford/Worksop section. A small part is important from the water supply point of view.

**Grand Union Canal (Norton to Leicester)**
**Ashby Canal**

These navigations do not call for any comment at this time, save the general one that they are not very extensively used for pleasure boating and it will be necessary to consider particularly carefully whether their retention for, and maintenance to, pleasure boating standards can be justified. The Leicester section of the Grand Union Canal is on the water supply map (Map B) and on Maps C and D.

**Other Canals (see paragraph 159 (iv))**

173. It will be observed from the maps that there are some canals which are not marked for any navigational use, even pleasure boating (the number of these will be increased if any of the "doubtful" cases referred to in the previous paragraphs are relegated as a result of further study and consultation). Of those with no navigational use some figure on the other maps, some have no grading at all. It is not proposed at this stage to comment on all of these, but there are some, of which some immediate mention is appropriate.

**Union Canal**

This waterway runs from Falkirk to Edinburgh. There is no navigation upon it. Various important possibilities with regard to water supplies in relation to Scottish industry are under investigation. We are inclined to the view that the right course would be formally to close it to navigation; this would not interfere with its water supply possibilities and it would on the other hand enable local authorities to proceed with various development schemes which they have in mind.

**Ashton Canal and Lower Peak Forest Canal**

The Ashton Canal, extending 6¼ miles from Manchester (junction with Rochdale Canal) to Dukinfield (junction with Peak Forest Canal), has suffered and will continue to suffer from mining subsidence. The locks are in a bad state and the bridges have less than normal headroom. Passing mainly through industrial waste lands, it seems to have no amenity value in itself, and for some years the local authorities concerned have been pressing for its elimination. There is some revenue from water supply to industry, though even in this the requirement of one of the main users is likely to terminate in the near future.

The Peak Forest Canal, north of its junction with the Macclesfield Canal at Marple, is heavily locked and perhaps less attractive scenically than the upper length from Marple to Whaley Bridge.

The inclusion of these canals would, with the restored Marple Aqueduct, enable pleasure cruising on a circular route utilising the Trent and Mersey, the Macclesfield, the Peak Forest, the Ashton and the (separately-owned) Bridgewater Canals. However, we feel at present that in view of the subsidence and other problems the restoration of the Ashton may well be an impracticable objective, and that the restoration as a navigation channel of the Lower Peak Forest Canal is unlikely to be justified.

**Lancaster Canal (Tewitfield to Crowpark Bridge)**

The northernmost stretch of this length of canal (Stainton Feeder to Crowpark Bridge), having been originally de-watered to avoid serious loss of water due to fissures in the bed, has now been closed to navigation. In view of the serious state of this 3¾ miles stretch it seems that its adaptation to agricultural use may be the only practical outcome. The remaining 8½ miles (Tewitfield to Stainton) is important from the water supply point of view, although there are some engineering problems. These will need further study but it seems clear that their solution, in order to preserve the water supply, could include provision for pleasure boating; this will depend to a considerable extent on the detailed financial facts still to be ascertained.

**Birmingham Canal Navigations (parts)**

Much of this elaborate system is important from the water supply point of view. While some lengths have a limited transport use, the Board consider that the realistic pattern of future development is likely to add significantly to those lengths which are already "closed to navigation" and to develop the system primarily for water supply purposes.

**Pocklington Canal**

This scenically attractive canal is extremely little used and we are doubtful whether, on the facts as we see them at present, continued expenditure on it can be justified.

### Security of tenure

174. We would conclude these notes with one general point. The development and use of waterways have been cursed by generations of uncertainty about their future. This prolonged uncertainty has exacerbated the very difficulties which caused it in the first place. We absolutely agree with what the Bowes Committee said on this matter in paragraph 103 of their Report. We are in no doubt that, when our further investigations to which we have frequently referred in this Report are completed, it will be essential to do what all previous inquiries and studies seem to have been unable to ensure—not only to reach decisions on which waterways are to be retained but also to give them some reasonable assurance of continuity. This is important in almost every field of their future activity.

# CHAPTER XI

## FINANCE

175. At this early stage what can be usefully said about the future financial outlook is limited. There are, however, certain general things which can and should be said at once—quite apart from what has been already mentioned on particular points.

176. The Board began their work with long-term statutory obligations pointing in one direction and a financial history pointing in the exactly opposite direction.

177. Section 18(1) of the Transport Act, 1962, deals with the long-term financial position and requires the Board "so to conduct their business as to secure that their revenue is not less than sufficient for making provision for the meeting of charges properly chargeable to revenue taking one year with another"; there is a "stay of execution" for five years, because Section 23 says that until the end of 1967 this requirement shall not apply but the Board "shall so conduct their business as to keep the deficits incurred on their revenue account at the lowest possible level".

178. Thus is the target set. Yet, as we have shown in Chapter II, the trend of the past has been one of grave and steady financial deterioration, the deficit on revenue account having multiplied nearly sevenfold during the last eight years. For the moment a tourniquet has been applied, and the out-turn for 1963 is expected to be at least £300,000 better than the comparable out-turn for 1962. Our detailed short-term planning is proceeding on the basis that there will be no return to the old situation in 1964, and if at all possible there should be some further improvement in that year. But what of the more distant future?

179. First we would refer again to the problem of special maintenance. In Chapter II the Board commented on their concern about the amount provided in recent years as an "equalised charge" against major items of maintenance ("special maintenance"). For the future they consider that the equalised charge should be set at a level which they can be confident will cover the expenditures to which it relates, over a relatively short term of years. Specific proposals on this will be set out in our first Annual Report. There would be obvious difficulties in setting the charge against revenue at a level calculated to wipe out—at any rate for a great number of years—the deficit incurred year by year over the last few years. As far as comparisons between years are concerned, an adjustment on these lines would not affect the position in any major way. But it would, amongst other things, demonstrate that the climb to reach the goal of Section 18(1) by 1967 will be even steeper than it has hitherto appeared.

180. Turning to the whole problem of the working deficit, the position in very broad terms is this. There was in 1962 a deficit (excluding charges on what is now called the opening capital debt of the Board) of about £1,300,000. That means the loss of £1,068,000 as in the British Transport Commission accounts; plus extra central administration charges; plus the difference between actual expenditure on special maintenance and the equalised charge therefor. The Board are planning to reduce this at least to the £1m. mark in 1964 (after allowing for the increase in interest on capital—see paragraph 185).

181. When we come to consider what may happen after that date we are still—as will be understood—largely in the realm of conjecture, although it is our job to get out of it as quickly as possible!

182. The management reorganisation already outlined by us is estimated, when fully completed, to save about £150,000 a year. This reorganisation will establish the main structure of management on, we consider, a sound long-term basis; but there will be opportunity to review the details and to adapt them to circumstances. Within the main structure thus established there will be further aspects of operation, maintenance and supervision to be studied and we would hope, over about three years, to achieve significant further economies. It is also to be expected (though this must be tentative until our fuller engineering studies are advanced) that there can be some reduction in the scale of major maintenance work—a spreading of the process over a longer period, perhaps. This should gear in with what has already been said about setting the charge to revenue at a fully realistic level. On the revenue side, we consider it reasonable to expect, over the next few years, increases in revenue from water sales, estates and depots.

183. We are acutely aware of the difficulties of hazarding figures—and particularly of attributing specific figures to individual items in the appraisal of possible "betterment". But, very broadly, it is not unrealistic to assume that from all these factors there should be improvements amounting to some £500,000 a year. We should also hope that if there could be a swift movement towards clarity on the future of individual canals it would be possible to avoid nugatory expenditure on those which are not likely to be retained long-term. An estimate under this head is even more difficult than on the other, but for the purposes of doing a very rough sum, the figure might be put at about £200,000 a year. So the total of all these improvements may prove to be in the neighbourhood of £¾m. a year.

184. There are two further, quite unquantifiable, sources of possible "betterment" in the situation. One is the benefit to waterways exploitation which would accrue from having a known and secure future—if the general theme of this Report is acceptable and our next more detailed stage is completed. The other is the effect of the better deploying of more sales effort, to which—among other things—our reorganisation is addressed.

185. But, as earlier chapters show, it would be naive to believe that all these improvements will just go to make better the present financial situation without any offsetting changes for the worse. On the contrary there are several factors which are bound to be on the wrong side of the scales and are bound to tend to make the position worse. First, as we have said earlier, it has not proved practicable hitherto to pass on to customers the whole of wage and salary and price increases; and it is difficult to see this situation altering, given the extreme competitiveness of the fields in which the Board operate commercially. Second, competition from other forms of transport means that we are in danger of further losses of toll earning business, and hence of a decrease in our most important source of income. Third, there is a problem of meeting further increases in the quantum of interest payments given that some of the Board's investment expenditures must be on projects whose yield is in the direction of increased safety and very long-term financial saving. Bank piling work is the most obvious example. We shall have to review the future level of spending on, and future financial treatment of, this type of investment but it cannot be ignored as a possible addition to the financial burden.

186. Of these considerations on the "bad" side the most important are the first two—the difficulty of containing wage and price increases and the possible loss of toll earning business.

187. To sum up, as far as income and expenditure are concerned, we see the position like this. We have a situation where the annual rate of loss has already been reduced from £1,300,000 to under £1 million (ignoring interest on the opening capital debt). In the event (which obviously is unlikely) that all went well and nothing went wrong some further

improvement of the order of £¾ million might be expected—perhaps more, if account is taken of the benefits of "security of tenure" and of more intensive sales effort. How much this will be offset by other factors it is most difficult to say. It does not seem, however, too rash to hope that there is a good chance of getting a further significant improvement in the situation and of getting the deficit down to much more manageable proportions. It will then, as now, be of the very greatest importance for the Board to tap all proper new sources of income; and we consider that the general concept of the multi-user system will be found to give us the best opportunity of attracting new sources of income. We are aware that in 1959 the Government declared the importance it attached to those who wished to see canals preserved themselves assisting financially. Because of the uncertanties of the period which followed, this expression of hope has not so far led to very much in terms of yield. We consider that a more fully worked out development along the general lines indicated in this Report is the most likely to attract such additional revenue.

188. As regards capital, the Board are, as we explained earlier, required by the Transport Act, 1962, to pay interest on a commencing debt, provisionally estimated at £19.2 m. In the case of the waterways the Act does not provide for the suspension or extinguishing of part or all of that debt. We obviously possess some valuable assets. If looked upon purely from the theoretical point of view of replacement cost, their value could be enormous. Considering the undertaking as a whole, however, although there are some profit earning assets, there are many quite unable to pay their way. The latter have, many of them, been in this state for years: as a Board we are in effect statutorily debarred from eliminating them without any new legislation; and anyway the Board would not in most cases think it right to seek to eliminate them. In addition, there are contingent liabilities arising from the age and origins of many of the assets.

189. The Board are not ready yet to make firm proposals regarding the future treatment of this debt. For an industry with such a history of increasing financial difficulty as ours, it constitutes a grievous burden and the Board feel entitled and bound to say even at this stage that the retention of the liability—at any rate in its present extent—is hardly a stimulus to sound financial management. To draw attention to the difficulties of the present situation is not enough, however; the Board at present can only preserve their right to put forward for consideration at an appropriate time some positive proposals for the future.

### General

190. We must here return to what we said at the beginning. A great deal of detailed investigation must be completed before we can go further than the tentative views outlined in this Report. There must be an engineering survey. There must be a systematic financial and costing investigation. And where independent expert advice can help us in these matters we shall not hesitate to seek it.

# CHAPTER XII

## SUMMARY

(1) The Minister told the House of Commons in July, 1963, that the Board hoped to give him a "preliminary report of its general views by about the end of the year". That is what this Interim Report is about. We are not seeking specific approval to detailed proposals. We want to explain broadly what we have done, and what we think, so far. If that is not wholly unacceptable, we can go straight ahead with our "next stage"—of much more detailed enquiry and consultation with others; leading, we hope to much more definite proposals about the whole future of the waterways in our care.

(paragraphs 1 to 11)

(2) We describe the undertaking as we took it over. We look generally at the "physical inheritance", the general nature and state of the 2,000 miles or so of waterways vested in us; at the management organisation, the official machinery for running the undertaking as we took it over; the "financial inheritance" of an undertaking going financially from bad to worse, in a steady and depressing diminuendo during the preceding years; and we follow this with a very brief reference to earlier diagnostic studies afforded by various Committees and Commissions of inquiry.

(paragraphs 12 to 41)

(3) We outline what we have done and are doing to re-organise the structure of management and the internal running of the undertaking. This is our own domestic problem as a Board, but it affects efficiency and economy and must be of interest to many outside bodies and people whose concern lies with, or touches on, the waterways' future.

(paragraphs 42 to 53)

(4) We try to deal with the relative costs and conditions which must affect the various uses—or disuse—of waterways. We declare our intention of putting in hand a special and comprehensive engineering survey, to enlarge the very imperfect knowledge so far available to us. But we stress the need to work on certain reasonable estimates meanwhile if we are to get on with our work; and we explain what we think those estimates or "intelligent assumptions" are.

(paragraphs 54 to 69)

(5) Next we offer our first general views about the shape of the policy picture we think we already see forming. We think that, for reasons given throughout the Report, the most promising approach to future waterways policy lies in what, for short, we call the "multi-user" theory. This we explain, but in brief it means trying not to classify each waterway by any one particular yardstick for measuring its future use, but rather to try to develop all the combined possible and useful purposes which any waterway can serve, and judging its future accordingly. This is best illustrated, as a method, first by indicating each likely use of waterways on a separate chart or map, and then showing how and where these different uses can be combined on a composite chart or map which indicates their overlap

clearly. This we try to do in our Maps A to D included in the text of the Report, while the combined uses are shown on the composite Maps E in the pocket.

(paragraphs 70 to 80 and Maps A to E)

(6) Then we look generally at the present, and possible future, position of commercial transport on the waterways. We deal separately with what we call "major transport use" and with other lesser (but still existent) transport uses. We deal also with the principles of charging for commercial transport use of the waterways and say something of the relevant alternative merits of systems of "toll" or of "licence".

(paragraphs 81 to 99 and Map A)

(7) We turn to other commercial activities which arise out of, or are related to, the provision of inland transport navigation. These affect our own carrying fleets, mainly on the wide canals; but we here record our decision to run down any narrow boat fleets of our own (although we are leaving to private enterprise a reasonable freedom to experiment in this field). We refer to our very useful warehousing activities and to our docks; and we describe briefly our position in regard to "operational" and "non-operational" estates.

(paragraphs 100 to 118)

(8) We want to devote special attention to the future role our system can fulfil in water supply (mainly industrial), water conservation and channelling. We are very aware of the fact that Parliament has just enacted the Water Resources Act, 1963, and it will rest with us to seek full contact and consultation with all those charged with the operation of that Act. Subject to that important reservation, we describe generally our position as we see it.

(paragraphs 119 to 134 and Map B)

(9) We then deal with rather different kinds of activity—with pleasure boating and cruising, angling and other aspects of the waterways. We outline the scope of these, as we see them so far, and we again stress the fact that these activities may often involve the same water "track" as other uses and cannot always be tidily separated from them. As in the other uses, we cannot yet attempt to offer detailed commentary and recommendations on each waterway, but with our maps we offer at least suggestions for criticism and discussion.

(paragraphs 135 to 156 and Maps C and D)

(10) This Interim Report is essentially one of general comment, not of final conclusion or recommendations. But we cannot help, even now, making some reference to the problems of some particular canals—even if only to help the start of closer consultation and study, and at least to put on warning some of the obvious snags ahead. These we do under the heading of "Some special cases".

(paragraphs 157 to 174)

(11) We would like to have been able to say more at this stage about the likely financial future—which is, and must be, our main preoccupation. But it is obviously too early to give any firm and useful prediction now. So we confine ourselves to some very general comment. Throughout this Report we emphasise that all our first provisional views will need to be tested by fuller financial and engineering investigations.

(paragraphs 175 to 190)

# APPENDIX

## INLAND WATERWAYS VESTED IN THE BRITISH WATERWAYS BOARD

### ENGLAND AND WALES

Aire & Calder Navigation
Ashby Canal
Ashton Canal
Birmingham Canal Navigations
Brecon & Abergavenny Canal
Bridgwater & Taunton Canal
Calder & Hebble Navigation
Chesterfield Canal
Coventry Canal
Cromford Canal
Dearne & Dove Canal
Erewash Canal
Fossdyke Navigation
Gloucester & Sharpness Canal
Grand Union Canal
Grand Western Canal
Grantham Canal
Huddersfield Canal
Huddersfield Narrow Canal
Kennet & Avon Canal
Kensington Canal
Lancaster Canal
Lee Navigation
Leeds & Liverpool Canal
Macclesfield Canal
Manchester, Bolton & Bury Canal
Monmouthshire Canal
Nottingham Canal
Oxford Canal
Peak Forest Canal
Pocklington Canal
Ripon Canal
St. Helens Canal
River Severn
Sheffield & South Yorkshire Navigation
Shropshire Union Canals
Staffordshire & Worcestershire Canal
River Stort Navigation
Stourbridge Canal
Stratford-upon-Avon Canal
Swansea Canal
River Tone Navigation
Trent & Mersey Canal
Trent Navigation
Ure Navigation
Weaver Navigation
Witham Navigation
Worcester & Birmingham Canal

### SCOTLAND

Caledonian Canal
Crinan Canal
Forth & Clyde Canal
Monkland Canal
Union Canal

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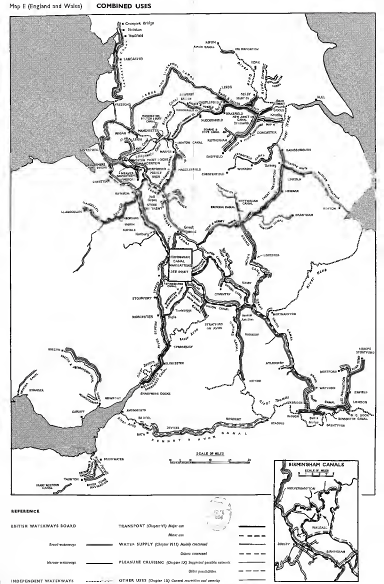
Map E (England and Wales) **COMBINED USES**



**REFERENCE**

BRITISH WATERWAYS BOARD

*Broad waterways* ═══

*Narrow waterways* ━━━

INDEPENDENT WATERWAYS ┈┈┈

TRANSPORT *(Chapter VI) Major use* ━━━

*Minor use* ━ ━ ━

WATER SUPPLY *(Chapter VIII) Mainly concerned* ━━━

*Others concerned* ─ ─ ─

PLEASURE CRUISING *(Chapter IX) Suggested possible network* ───

*Other possibilities* ─ ─ ─

OTHER USES *(Chapter IX) General recreation and amenity* ───

12 FE 964

Map E (Scotland) : **COMBINED USES**